



## INSIDE THE TABLOID

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## NEWS

**Why the dinosaurs died** PAGE 3

# Chinese leaders gather at death-bed of Deng



Deng: Reported to have suffered a massive stroke

Jane Macartney  
Reuters  
Teresa Poole  
China Correspondent

Peking was buzzing last night with rumours about the possible impending death of the Chinese leader, Deng Xiaoping. The Chinese president and prime minister have both cut short out-of-town trips to return to Peking, sources said.

Premier Li Peng also flew back to Peking at the weekend, abruptly curtailing a tour of the booming southern province of Guangdong. Jiang Zemin and Li Peng also cut short their trips and rushed back to Beijing because Deng Xiaoping's health was deteriorating, sources said.

Hong Kong's *Apple Daily* newspaper reported at the weekend that Mr Deng had been rushed to hospital on Thursday after a massive stroke that followed an earlier, mild stroke.

However, the fact that 92-year-old Mr Deng has lived much longer than anyone expected means that Mr Jiang has had time to promote several allies to senior positions in the military and top leadership. While Mr Deng's death might once have sparked an overt and destabilising power struggle, most China-watchers now believe it would portend months of behind-the-scenes jockeying for position among China's most influential politicians, but that the Communist Party's wish to retain power will avoid any public splits.

The one obvious threat to Mr Jiang would be if any disgruntled section of society should use Mr Deng's death as an excuse to vent complaints about China's serious social problems such as corruption and rising unemployment. However, after a two-year crackdown on dissent, most pro-democracy and human rights activists are in detention, and the state's vast security network has a strong hold.

It is now just 10 days into the new Year of the Ox, and if Mr Deng were to die so early in the Chinese New Year it would be seen by the superstitious as a bad omen. Since the beginning of this year, China has trumpeted loudly that 1997 is the most "significant" year in recent Chinese history because of three "important" events: the return of Hong Kong on 1 July, the full Communist Party congress in the Autumn, and the diversion of the Yangtze river for the Three Gorges Dam in November. The odds now look high that there may be a fourth event before the year is out.



# Hogg in plea for Unionist votes

Anthony Bevins  
and Fran Abrams

The Government last night bought off the Ulster Unionists - and the threat of Commons defeat - by offering to give priority to getting the beef ban lifted for Northern Ireland.

With the Agriculture Minister, Douglas Hogg, in the firing line of Labour's Commons attack on government handling of the "mad-cow" crisis, it was left to him to plead for the support of David Trimble and his eight Ulster Unionist colleagues in the House.

In open horse-trading for the key votes, Mr Hogg told MPs that he would be making a general application for a lifting of the European export ban, along with a particular plea for Ulster.

With John Major egging him on as Mr Hogg replied to interventions from Ulster MPs, the Agriculture Minister promised that the application would be submitted to the European Commission within "the next two weeks."

But after months of delay, Whitehall sources said last night that there was no chance of any progress being made on beef exports before May at the very earliest.

Asked to explain the delay, official sources said that ministers had been forced to juggle between competing factions: the farmers, the Commission, and the different parts of the United Kingdom.

Replying to a Labour censure motion, dressed up as a demand for a £1,000 cut in his salary, Mr Hogg pointed out that the National Farmers' Union had initially opposed the selective cull: the prerequisite for European action on lifting the ban on British exports.

It was not until late last year, Mr Hogg said, "that the majority opinion within the farming community swung behind the selective cull, concluding, as we have done, that however distasteful it might be, without a selective cull there is no chance of getting the ban lifted."

But he also told MPs that the Government had only recently started the process of tracing the cattle to be culled.

be slaughtered." In repeated interventions to his speech, Mr Hogg was first to give more assurances about the efforts he would make to give specific help to Ulster's farmers.

Going out of his way to reassure Ulster MPs, he said: "Because, by the nature of the identification system that they have, and because of the very low incidence of BSE, and because the Republic of Ireland is now seeing a higher rate of BSE than in the province [of Northern Ireland], the concept will be especially beneficial to Northern Ireland."

He told the Ulster Unionist MP William Ross: "Our application is general, but it works with particular effect in Northern Ireland, for all the kind of reasons that I have mentioned. And it certainly is my intention to support the case on Northern Ireland."

Following an intervention from the Rev Ian Paisley, the minister also argued that, while giving priority to Ulster, the application for a lifting of the ban would be for the UK as a whole.

Opening the debate, the Labour agriculture spokesman, Gavin Strang, said: "The last government gave us poll tax; this government has given us the beef tax" - with a bill, so far, of more than £3bn.

Paul Tyler, the Liberal Democrat spokesman, said last night: "Farmers are suffering, and the taxpayers are footing the bill."

"Mr Hogg should at least apologise, then the Government must knuckle down to the real task of lifting the beef ban."

In the debate, Mr Ross gave no hint of how he or his colleagues planned to vote, adding to the suspense of the set-piece Commons occasion.

Mr Ross said that many ordinary people had been affected by the crisis and had received no compensation.

"I deeply regret that the Government has been unable to find some way of helping that large section of the community who have suffered without any government money going to help them."

He added that he was "encouraged" by Mr Hogg's speech but was waiting to hear the end of last night's debate in the hope that there would be a stronger indication of progress to come soon in getting the ban lifted.



Tug of war: Four-year-old Edita Keranovic (above), who a judge ruled must stay in Britain with Deborah Fowler (left) who has tried to adopt her. Her natural mother (right) was murdered by Serb troops in Bosnia

# Family are furious as judge says war orphan must stay

Jojo Moyes

A four-year-old Bosnian girl who was rescued from under her dead mother's body when she was nine weeks old is to be allowed to stay with the couple who have looked after her since she was smuggled out of Bosnia, rather than with her surviving family, a High Court judge has ruled.

Sir Stephen Brown, President of the Family Division of the High Court, said it was in Edita Keranovic's best interests that she should stay in Britain with Alan and Deborah Fowler for the foreseeable future. "Her young life must not be shattered again," he said.

But he also ruled that the couple will never be able to adopt the child. And he said she should keep contact with her surviving relatives, who have fought for her return and were yesterday said to be "disheartened."

In a statement issued by their solicitors, the Bosnian family said that after four years of searching and litigation, they were "very, very upset and disappointed" that Edita should not return to them.

"When our family was massacred in Bosnia we could somehow come to terms with that as they were all gone. Edita is all that remains and we cannot be together. She is our child and she belongs to us," Edita's grandfather, Hasan Keranovic, 58, said.

"We do not understand how people, who the judge described as using subterfuge and who gave wholly misleading information to Oxford County Court which enabled them to originally adopt Edita, can be considered to be suitable parents".

Sir Stephen said he understood Edita's true family felt "angry and cheated", and the court recognised the "wrong which they have suffered". "But the court has now to consider first and foremost the interest of Edita," he said.

Edita was nine weeks old when Serb troops attacked a garage where women and children from her home village of Hrustovo had gone to shelter.

Edita's mother and younger brother were killed, as were her grandmother, two aunts and two cousins. Edita and her cousin, Melvina, were retrieved alive from under the bodies of their mothers by a Serb officer, who handed the babies to neighbours.

Edita, who had three pellets lodged in her brain, was first



Grandfather Hasan Keranovic: 'She belongs to us'

month - was forbidden. Faced with the "determined opposition" of members of Edita's family, Oxfordshire County Council, the adoption agency, and advice from the Official Solicitor, they had decided at the start of the latest hearing to drop the adoption application.

Although there had been "appalling irresponsibility" on the part of Mr and Mrs Fowler over their actions in trying to adopt Edita, the child should remain with them, Sir Stephen said.

"I believe that Mr and Mrs Fowler... are nevertheless capable of acting in Edita's interests now that the whole situation has been revealed."

His decision was praised by Barbara Mosyn, of the Campaign for InterCountry Adoption, who said cases like Edita's may become increasingly common as families trace evacuated Bosnian children. "I think the judge in many ways has ruled in favour of the child but not the relatives", she said.

"If she retains links with her family, hopefully they can forge a relationship," Mrs Mosyn added.

New adoption rules, page 4

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significant shorts

### Legionnaires' disease kills one and leaves 21 ill

A man has died from Legionnaires' disease following an outbreak on an industrial estate.

The 45-year-old victim, from Corby, Northamptonshire, who died on Friday, is one of 21 people who have fallen ill with the disease. The first case was in August when 14 people contracted the illness. Seven more cases were reported in December. Health officials discovered all the victims had a link with the adjacent Willowbrook and Weldon industrial estates in the town.

The disease is contracted by breathing in water droplets containing the bacteria which produces flu-like symptoms. It has an incubation period of up to 10 days and can cause a pneumonia type illness and multiple organ failure.

There have been no reported cases in Corby since January.

### Allcock jury member discharged

One of the jury trying taxman Michael Allcock on corruption charges was discharged by the judge yesterday for medical reasons. Jurors were sent home for the weekend on Friday without reaching any verdict so far in the trial, which has lasted four months.

The prosecution alleges that Mr Allcock took a string of bribes - including luxurious holidays abroad and the services of a prostitute - from wealthy businessmen in return for tax favours. Mr Allcock, 47, from Colchester, Essex has denied 11 charges of corruption between 1987 and 1992.

### Gyngell to present 'clean-up' awards



The broadcaster who banned *Hollywood Lovers* in Yorkshire has been invited to present this year's National Viewers' and Listeners' Association Awards.

Bruce Gyngell (left), managing director of Yorkshire and Tyne Tees Television, will hand out the main awards on Friday at the annual ceremony of Mary Whitehouse's television clean-up organisation.

Among the winners are two BBC programmes, costume drama *Pride and Prejudice* and the series *Great Ormond Street*.

### Herbal slimming products warning

Muddled and potentially harmful advice is being given to patients offered Chinese herbal slimming remedies, according to a television report broadcast tonight.

Herbal doctors are prescribing herbal remedies to help weight loss but admit they have no nutritional qualifications to back up their claim, said BBC's *Food and Drink* programme.

Dr Nick Finer, an endocrinologist at Luton and Dunstable Hospital, who specialises in treating obesity, said: "There's no evidence herbs help weight loss. The advice available is unscientific, muddled and may even be harmful. Beware of miracle claims about herbs because they are not medically backed up."

The National Poisons Unit at Guy's Hospital in London, has recorded 21 poisonings over the last five years, and two deaths attributed to herbal remedies.

Glenda Cooper

### Labour seeks 'intelligent' cars

Labour is setting up a task force to find ways of making cars more environment-friendly and intelligent, party leader Tony Blair told a business audience yesterday. A Labour government would bring vehicle manufacturers, independent experts on cars and environmental problems and the government together to find common ground, Mr Blair said the priorities were lighter vehicles which used fuel more efficiently, produced less pollution and used electronics and information technology to help motorists drive more safely and avoid congestion. He also backed the idea of ultra-low pollution "hybrid" cars, which have both an electric motor for stop-start driving in cities and an internal combustion engine for longer distance driving.

Nicholas Schoon

### Oxford fails to win more state pupils

Oxford University's decision to abandon its entrance exam appears to have failed in its aim of increasing the proportion of state school pupils admitted.

The university last year dropped its entrance exam, partly because it was thought to be unfair to sixth formers at those schools which could not afford to pay for thorough preparation. Instead, all applicants were offered places based on interviews, examples of schoolwork, short tests and predicted A-level grades.

But preliminary figures show that just 43 per cent of offers for places this autumn went to pupils from state schools compared to 47.5 per cent from fee-paying schools.

Last autumn, 43.6 of admissions were from state schools and 47.4 from fee-paying schools.

Judith Judd

### Ramsgate port operators guilty

The operators of the Port of Ramsgate were yesterday found guilty of failing to ensure the safety of passengers when a ferry walkway collapsed, killing six people, including two Britons.

Port Ramsgate Ltd was convicted, along with two Swedish companies which manufactured and installed the high-level gangway leading from a terminal building to a ferry at the Kent port. The verdicts were returned after more than seven hours' deliberation by the jury at the Central Criminal Court in London.

The judge, Mr Justice Clarke, adjourned sentencing until 26 February, when unlimited fines could be imposed.

### Trawler 'hit by supertanker'

A trawler condemned as an "unseaworthy, unstable" vessel that sank off the coast of Cornwall with the loss of her crew of six was probably hit by a supertanker, the Court of Appeal was told yesterday. Joseph O'Connor, 45, operator of the boat, is appealing against a three-year jail sentence for manslaughter for sending the crew of novices to their deaths.

people



Mark Radcliffe: 'The whole day depends on us. Personally, I feel a bit nervous about that.'

## Mark and Lard: the latest weapons in the ratings war

BC Radio 1's flagship breakfast show almost got out of the wrong side of the bed yesterday, as its new presenters took over and began what looks like being a long battle to stem a sharp fall in ratings that pre-dates the departure of Chris Evans.

Broadcasting from Manchester, Mark Radcliffe and his sidekick, Lard, nervously opened the programme by admitting: "Normally if you don't like the show we can say 'sorry don't worry, there will be someone else along in a week, but we're here for a year, so sorry about that'."

Radio 1 was braced for a drop in popularity following the acrimonious exit of Evans, after the station's controller, Matthew Bannister, refused to let the presenter cut his working week from five to four days.

The timing could not have been worse, then, when new figures placed Radio 2 ahead in the ratings war, for the first time in its 30-year history.

According to the independent audience research body, Rajar, Radio 1 lost 569,000 listeners in the three months prior to Evans' departure - more than half of whom were captured by Radio 2.

Radcliffe, 38, acknowledged the difficult task facing him in replacing the increasingly infamous ginger-haired presenter: "We have to take care of the audience because the whole day on Radio 1 depends on us performing. Personally I feel a bit nervous about that."

During the broadcast, Lard unveiled a spoof "audience gauge", saying it showed a reading of 0.075 million. But his bosses will be hoping for a far better performance than that.

After a slow start, the DJs warmed to their task with some jokes and their trademark stream of "consciousness ramblings". But they stuck largely to a prepared script, so there was none of the bashing of the tabloid press for which Evans' spontaneous performances became synonymous. As a well-known fan of independent music, Radcliffe was also forced to radically change his playlist to fit in with the mainstream appetites of early-morning listeners.

The programme steadily improved in its second half with surprise appearances from Pulp singer Jarvis Cocker, former Marillion star, Fish, the poet John Hegley and an ironic quiz, *Bird or Bloke*.

In the handover to Simon Mayo, Radcliffe was told he was now Britain's biggest entertainer. The Mancunian replied: "Les Dennis will be sick when he hears that."

Radcliffe's first job was as a "junior assistant dog-body producer" with Piccadilly Radio, in Manchester. Ironically, he later became head of music, making him Chris Evans' boss.

David Garfinkel

### Hollywood falls foul of the voice of 1960s Alabama

Oliver Stone's *JFK* or Mel Gibson's *Braveheart* may have taken a few liberties with the truth, but their subjects were safely dead. Former Alabama Governor George Wallace is 77, confined to a wheelchair, almost totally deaf, and very much alive. "Falsehoods and lies" is how he describes a \$10m television movie of his life, and the Wallace family is threatening a law suit.

Mr Wallace's life story comes packed with extraordinary scenes and ringing dialogue delivered by an enigmatic and powerful speaker. Hollywood, however, can never resist improving a script.

At stake, apparently, is the image of a politician who will forever be associated with the old segregationist South, but who has conducted a very public campaign of confession and contrition. Most famously, in 1963, Mr Wallace stood in the doorway of the University of Alabama to block its first black students from entering. That performance - where he made a speech about the state's rights, and then peacefully withdrew - was actually choreographed in advance by the Kennedy brothers.

Mr Wallace's beloved first wife, Lurleen, succeeded him as Governor, but died of cancer in office. He ran for President four times. Crippled by an assassin's bullet in 1972, he recanted his racist views. Ten years he later won fourth term as Governor with crucial support from black voters. In an afterword in 1996, he apologised to one of the students, Vivian Jones, whom he had confronted 33 years earlier.



Wallace: Recanted racist views

At issue, however, are two scenes which add that little extra helping of melodrama, but which the film's makers admit are not part of the historical record. In one, a black servant waiting on the Governor stands behind him with an ice pick, and considers whether to stab him in the back. In another, a despairing Mr Wallace tries to kill himself by rolling his wheelchair off a high porch.

Curiously the director, film veteran John Frankenheimer, may be best known for his own legacy from the 1960s, *The Manchurian Candidate*, a daring political thriller. The film, he told the *New York Times*, is about a change and forgiveness, a drama and not a documentary. While the film is still in production, the Wallace family complain that it presents the Governor and his wife as ignorant Southerners with "hee-haw" manners, and claim all they want is the unvarnished truth - not romantic embellishment.

Tim Cornwell, Los Angeles

### Row keeps stalker out of Rampton

A highly dangerous stalker who ruined the life of a dental nurse with a bizarre campaign of "terrifying" infatuation, could be back on the streets in two years, a court was told yesterday.

Clarence Morris may be prevented from going to Rampton high security mental hospital because of a disagreement among psychiatrists who examined him - one of whom said he was not mentally ill.

Southwark Crown Court Judge Gerald Butler QC, who has already described Morris, from Poplar, east London, as a "danger to every woman" who should be detained at the Nottinghamshire institution indefinitely, said his only realistic alternative would be to send him to prison.

Even if he was jailed for the maximum five years, time already spent on remand as well as other considerations, would mean he would be behind bars for a little over 24 months. Morris, 37, who psychologically scarred Perry Southall, 20, to such an extent that the jury decided it was the equivalent of physical injury, was convicted of common assault and causing actual bodily harm.



Perry Southall: Scarred by ordeal

briefing

SOCIETY

### New entrepreneurs who put conscience before profit

A new breed of entrepreneur, motivated by social goals rather than material profits, will be as important to the first decade of the new millennium as the business entrepreneur was to the 1980s, according to new research.

A study to be published later this week by Demos, the independent think-tank, advises the Government to take account of the work of "social entrepreneurs" in its White Paper on social services, due to be published at the end of the month.

The study documents the rise of the social entrepreneur by studying the achievements of five individuals who have been able to network across private and public sectors to create "inspirational" social schemes.

Among those featured is Tony McGann, a former forklift truck driver, who became the charismatic leader of the Eldonian community project which helped local people to refurbish their own homes and avoid being rehoused.

Helen Taylor-Thompson, whose husband Derek is a former head of the Inland Revenue, led the campaign to re-open the Midway hospital in north London and played a vital role in establishing it as an international centre for AIDS care.

*The Rise of the Social Entrepreneur*, by Charles Leadbeater, £9.95, Demos 9 Bridwell Place, London EC4V 6AP. Ian Burrell

CONSUMERS

### Dining out on confidence

1997 will be the year of eating out, according to research by a national business consultancy. Retail Directions believes that growing consumer confidence, combined with money from building society flotations, will filter into the leisure sectors of the economy, bringing an increase in restaurant and pub trade.

The money coming from the building society flotations during 1997 will be spent by the family on leisure pursuits and not on household items or improvements, as has always happened in the past, said managing director Robert Eldridge.

The company said 1997 would also see a lessening of enthusiasm for supermarket loyalty cards, unless consumers saw more meaningful benefits.



PROPERTY

### Cycle of frustration in market

Too many would-be buyers chasing too few properties are forcing up house prices, a report claimed yesterday. Sellers are delaying putting their houses on the market until they find a replacement property to buy, creating what the Royal Institution of Chartered Surveyors called "a self-perpetuating cycle of frustration" that raises the number of people looking, but reduces the numbers of properties for sale.

The Institute's quarterly survey of the housing market questioned 268 chartered surveyors over changes in prices and the level of homes sold or for sale.

RICS housing market spokesman, Ian Perry, said prices were rising in many areas - but this was because of the very restricted stock. "Hopes of even higher prices have led to unrealistic expectations and disillusionment among prospective sellers."

He added that the upward pressure on house prices was likely to continue in the short term, given that interest rates were unlikely to rise before the general election, although a hike was expected before the end of the year.

POLITICS

### Labour support eroded in Scotland

Support for Labour in Scotland has plummeted to its lowest level in two years, according to the latest Scotsman/ICM poll.

The party stands at 41 per cent, down 4 per cent on last month's showing, although the Conservatives also slipped back by a point to 18 per cent. The poll, published in yesterday's *Scotsman*, puts the SNP behind Labour on 26 per cent - up 3 per cent on last month - and the Liberal Democrats on 13 per cent.

The survey will come as a blow to the Labour hierarchy as it was carried out last week amid Tory infighting over devolution.

The figures, adjusted to compensate for the reluctance of Tory supporters to voice their support, also shows that nearly three quarters of Scots regard the Conservatives as a predominantly English party. Of those polled, 73 per cent agreed with the statement: "The Conservative Party is a mainly English party with little relevance to Scotland." Just 26 per cent disagreed.

ICM interviewed 1,000 adults by telephone between 11 and 14 February.

AGRICULTURE

### Sheep-dip danger dismissed

The Government believes organophosphorous (OP) sheep-dip chemicals are safe and should continue to be used in accordance with manufacturers' instructions. Agriculture Minister Douglas Hogg said yesterday. Hundreds of sheep farmers have suffered long-term illness, lethargy and mental problems which they claim are due to using OPs to control sheepscab, and the chemicals are also now thought to have been behind the sickness suffered by many British Gulf War veterans.

But Mr Hogg yesterday accepted the recommendations from a review of OP sheep dips carried out by the Veterinary Products Committee, which advises the Government on medicines for farm animals. The committee argued that OPs were safe in sheep dips, provided makers' directions were followed carefully and farmers using them had a Certificate of Competence.

Nicholas Schoon

**NEWSPAPERS SUPPORT RECYCLING**  
Recycled paper made up 41.2% of the raw material for UK newspapers in the first half of 1996

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After more than a century of argument, scientists say they have proof positive of reason for extinction

# The day the dinosaurs died

Louise Jury

Sixty-five million year old remains just discovered in the Atlantic Ocean are proof that massive asteroid impact on Earth killed off the dinosaurs, scientists claimed yesterday. Richard Norris, who has been leading the international sea-drilling expedition which made the find, said the discoveries were "proof positive. We've got the smoking gun."

The evidence appears to substantiate the theories of geologists like Californian Walter Alvarez, who has championed the theory that dinosaurs suddenly disappeared from fossil history because of such an impact. Robert Correll, of the United States' National Science Foundation, said the samples were the strongest evidence yet that an asteroid impact caused the extinction. "In my view this is the most significant discovery in geosciences in 20 years," he said. The expedition has recovered three drill samples that have the signature of an asteroid impact. The samples include a thin brownish section that the scientists call the "fireball layer" because it is thought

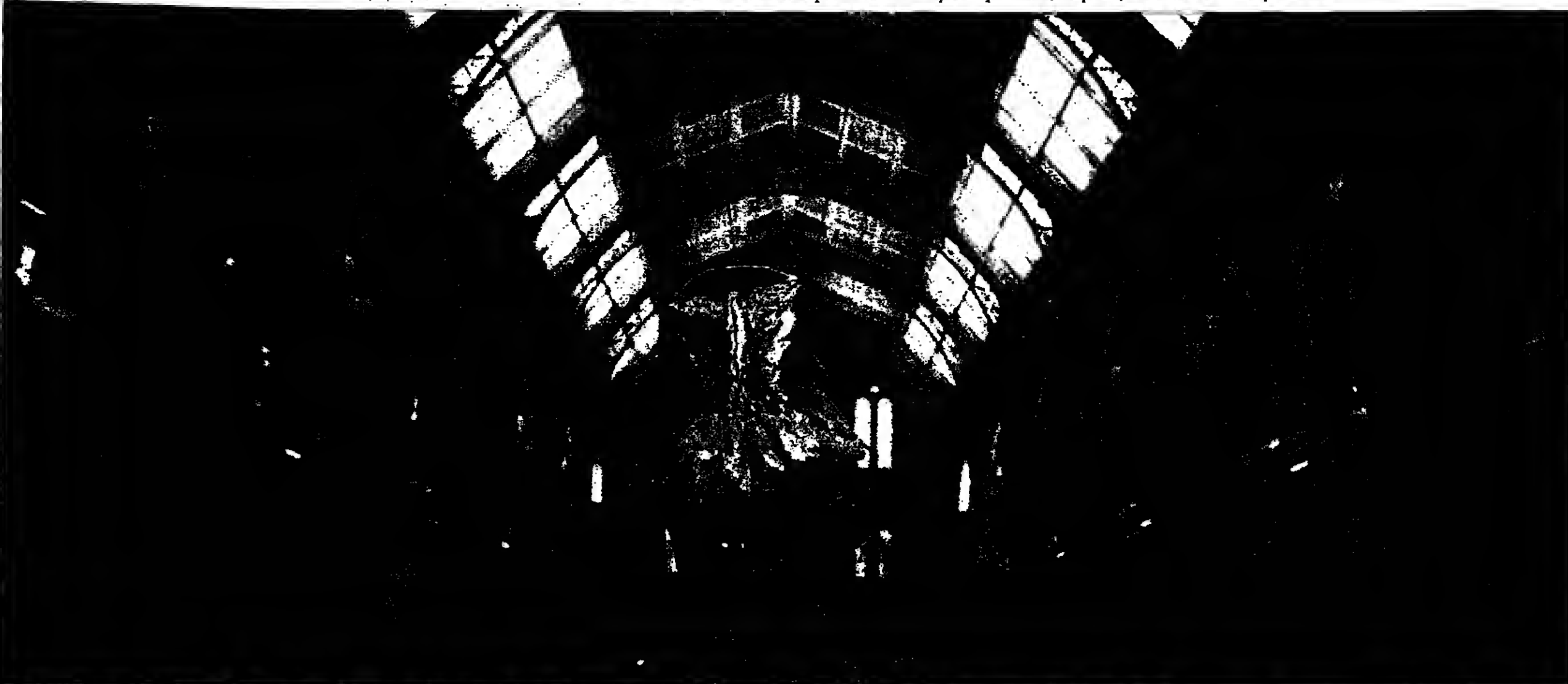
to contain bits of the asteroid itself. Mr Norris said: "These neat layers of sediment bracketing the impact have never been found in the sea before." Under the asteroid theory, the huge submerged crater at the Yucatan Peninsula, Mexico, was the impact point. The scientists believed the violence of the impact would have been unlikely to leave clear samples. However, the resulting waves would have washed across Florida and deposited debris in the Atlantic - which was what they found when they drilled 300 feet beneath the sea bed.

Mr Norris said the deepest - oldest - layers contained fossil remains of many animals which were living in a "happy-go-lucky ocean" just before the impact. Just above this was a layer with material from the bottom of the sea which was believed to have melted in the giant energy release of the impact. Next was a rusty brown layer which the scientists believe to be the vapourised remains of the asteroid itself. And above all these were two inches of grey clay with barely anything in it which the team believes shows the asteroid wiped life out.

"It was not a completely dead ocean, but most of the species that are seen before (early in the core samples) are gone. There are just some very minute fossils. These were the survivors in the ocean." The dead zone lasted about 5,000 years and then there was evidence of renewed life, he said. The asteroid which landed on the Yucatan Peninsula would have been six to 12 miles in diameter and smashed to Earth at thousands of miles an hour to gouge the crater 150 to 180 miles wide. Up to 70 per cent of all species,

including the dinosaurs, perished. Among the survivors, scientists believe, were small mammals that over millions of years evolved into new species including humans. David Norman, director of the Sedgwick Museum in Cambridge, said the new finds simply added to the significant geophysical evidence which already existed to support the idea of an asteroid strike. Yet while the scientific consensus now backed the idea of an asteroid - or possibly some other material from space such as a comet - Dr Norman said there were problems with

the timing. Previous evidence from sediment suggested that the dinosaurs did not become extinct at exactly the same time as an impact occurred. "Unfortunately, it is slightly disconcerting that the timing isn't quite right." The fact that a dramatic impact happened did not mean it was responsible for the annihilation of so many species, he said. One Cambridge team of scientists is examining the impact of major volcanic activity. Besides, despite the demise of dinosaurs, many creatures - such as lizards and birds, survived.



Face of the past: The remains of a diplodocus, found at the Natural History Museum in London, which could have been killed off when asteroids hit the Earth 65 million years ago

Photograph: Brian Harris

## Seven theories that are also extinct

The asteroid theory might be the truth about how the dinosaurs died out but there are other hypotheses that are far more entertaining. The undisputed rulers of the earth lost their sex drive and failed to produce enough offspring to continue the lines, some believe. They were smitten by a plague of cataracts and went blind, say others.

## Could it happen again?

Society said: "There is very little doubt that in the minds of planetary scientists, the risk of an impact is not zero. We don't know when the next impact will be or where, but it is a non-negligible danger. Asteroids normally live in the asteroid belt between the orbits of Mars and Jupiter and are as big as 500 miles across. If, sometimes happen, they escape through

changes in gravitational pull, they can fall to Earth. Any object, such as parts of comets as well as asteroids, which enters the Earth's atmosphere and lands is known as a meteorite. American scientists reported last month that up to 200 "escaped" asteroids were running riot in the solar system although they estimated that a collision with Earth was likely only once every billion years.

## Twickenham's hallowed turf to resound to football boots

EXCLUSIVE

Glenn Moore  
Football Correspondent

The hallowed turf of Twickenham, the home of rugby union, could soon be trod by professional footballers. It would be the first time the ground has been used for anything other than rugby union.

Chelsea, the Premiership club from west London, are considering playing some of their league matches at Twickenham next season, while their own ground is being re-developed. The Rugby Football Union, owners of Twickenham, said it had not yet been approached but "would be interested" if it was. Indeed, the RFU has already offered Twickenham, now a state-of-the-art 75,000-seat venue, as a host ground for England's 2006 football World Cup bid.

Any attempt to extend use of the stadium, which at present stages just 12 events a year, will be strongly opposed by local residents. There will also be dissent from within the game. Some, recalling the famous 19th-century quotation, "football is a gentleman's game played by hooligans, and rugby a hooligan's game played by gentlemen" are certain to regard footballers - and their supporters - as the wrong kind of "barbarians" for Twickenham.

Chelsea, however, are as glamorous as a football club can be. Though their supporters have not quite shaken off a notorious past, the club, fashionably based near the Kings Road, is enjoying a massive surge in popularity. Managed by the enigmatic Dutchman Ruud Gullit, the team features several foreign stars, including Gianfranco Zola, the Italian whose goal beat England last week. Chelsea's Stamford Bridge ground is now being turned into a modern 42,500-seat arena incorporating a hotel, shops, flats and offices. While the ground will remain open, capacity will be reduced to a maximum 31,000 at the beginning of next season. This is inadequate, especially if the future list provides an early home match against the likes of Manchester United or Arsenal. In that circumstance Chelsea would seek

to play at Twickenham. Tony Hall, the secretary of the RFU, said: "It's now or never, but we would be interested if they did approach us."

While the RFU would not want a football club in permanent residency at the ground, it would welcome occasional fixtures, such as FA Cup semi-finals. The RFU at present has to pay off a £34m loan towards rebuilding costs. While the idea may seem anathema to union diehards, some will feel the sanctity of the ground, the home of English rugby union since 1910, has already been lost. Last year the RFU allowed the rugby league professionals of Wigan to play a game of union there.

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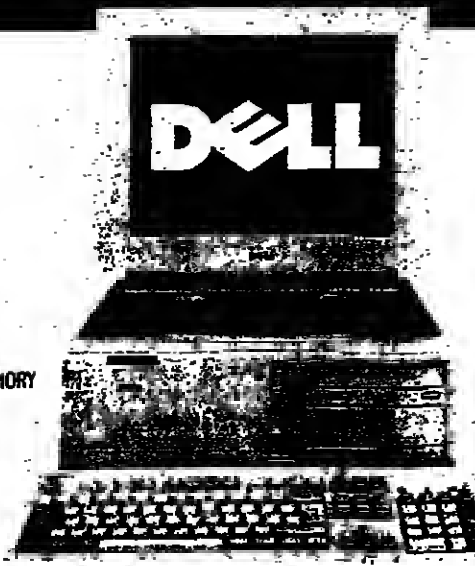
...may share space next season with Chelsea FC's footwear

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## news

# Man held over girl battered to death

Jason Bennetto  
Crime Correspondent

A man was arrested yesterday in connection with the murder of a girl, aged 13, who was beaten to death at her home.

Billie-Jo Jenkins was found on Saturday in the back garden of her foster parents' home in Hastings, East Sussex, where she had been painting the patio doors. She had been bludgeoned over the head with an 18in metal tent spike.

The 44-year-old man was detained as detectives released details of a scar-faced man they wanted to talk to about claims that Billie-Jo was being stalked.

The man, who lives in Hastings, was arrested at his home yesterday afternoon. Police said this followed media appeals for information about a man with a prominent birthmark stretching from his forehead to his chin.

A man was reported to have been wandering near Billie-Jo's home and asking for accommodation at about the time of the murder.

It emerged yesterday that the police were told Billie-Jo had complained of being followed by a stranger and of receiving nuisance telephone calls shortly before her murder.

Detectives revealed that her foster parents, Sten and Lois Jenkins, and friends, had told them she believed she was being followed since Christmas.

Mr Jenkins told detectives he disturbed a prowler in the back garden of the family home only 13 days ago and earlier saw a man staring at the house. Security lights had been recently fitted at the home.

However, it later emerged the foster parents did not contact police about the prowler or the nuisance telephone calls.

Billie-Jo had first claimed she was being stalked two years

ago, when she first started at Helenswood Secondary School in the East Sussex seaside resort, at the age of 11.

Police were informed about those claims and the school was made aware of the girl's fears.

Detective Superintendent Jeremy Paine, leading the murder hunt, said: "It is clear that Billie-Jo obviously believed she was being followed in the days and weeks before her death."

"She had told her parents and friends she felt she was being followed and had spotted a man on some occasions. She had also received a number of strange phone calls at her house."

"It appears that she felt this man was paying particular attention to her for some reason."

Detectives are also awaiting the arrival of a computer database from the investigation into the murders of Lin and Megan Russell in Keot last summer. In both cases the victims were attacked without apparent motive or sexual intent.

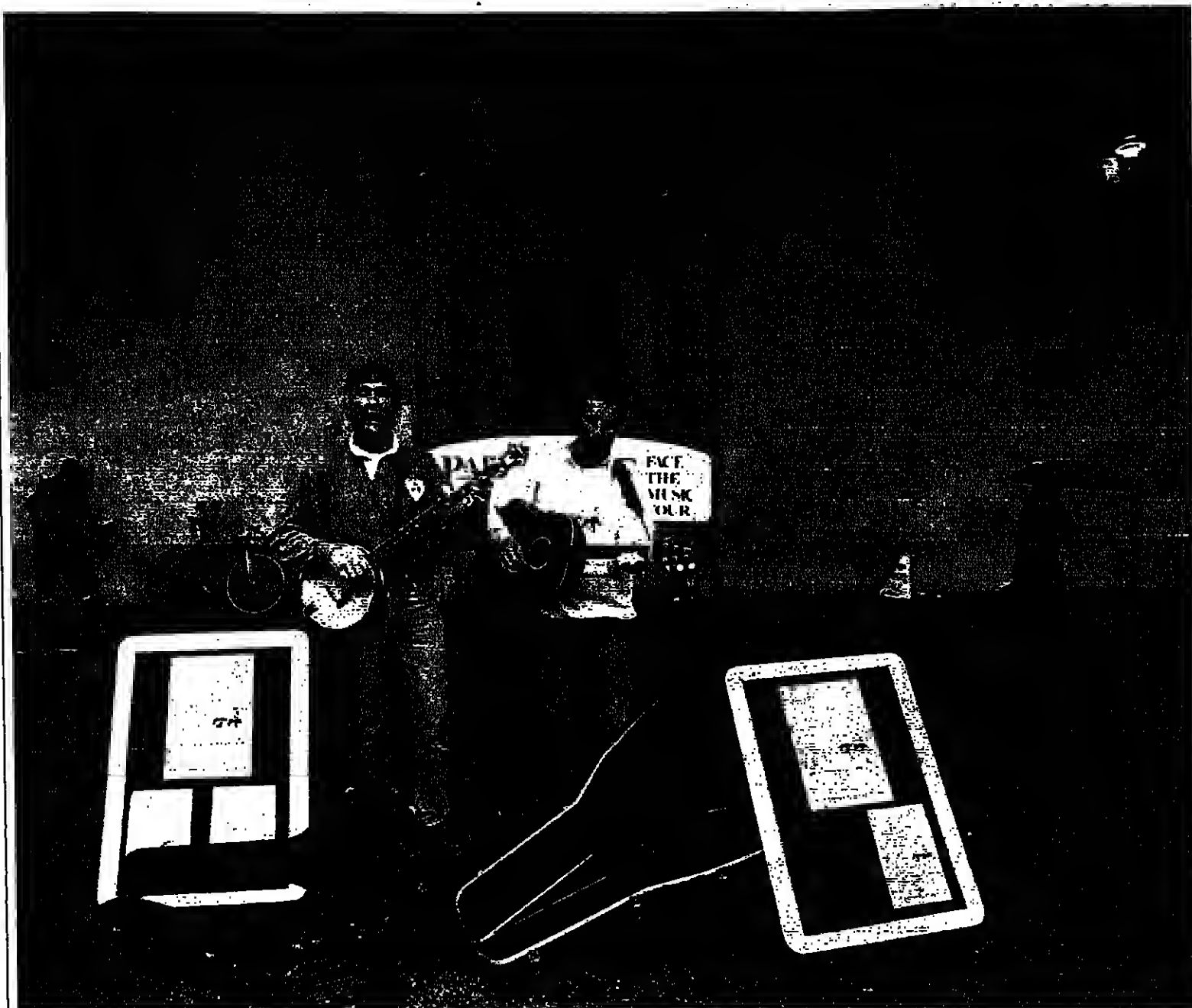
Detectives were yesterday continuing to interview both Billie-Jo's natural parents and her foster parents.

Billie-Jo was described as a popular, lively teenager with ambitions to become an actress. She enjoyed swimming and going to youth clubs.

Chris Luckin, headmaster of Blacklands Primary School, in Hastings, which Billie-Jo attended for two years before moving to secondary school, said: "We remember her as a delightful girl, interested in everything that went on in school."

"We are absolutely devastated by this tragic event. Children and staff are stunned and feel numb. We feel particularly for the other members of her family."

Mr Luckin said staff at the 500-pupil school were in tears as the children were told of Billie-Jo's death. Three of her sisters still attend the school.



Learning curve: John Fisher (right) and Collin Miles busking yesterday at Covent Garden in aid of their Abingdon school. Photograph: Brian Harris

## Class act by a busking headmaster

David Garfinkel

Covent Garden, in the heart of London, famous for its side-show acts, was graced with entertainment of an educational kind yesterday.

After the mime artists and fire jugglers vacated the main piazza, cash-strapped headmaster John Fisher took centre stage. In an attempt to raise £50,000 needed to save a teaching post at his run-down school.

Faced with the fourth consecutive year of budgetary cuts, Mr Fisher, 49, of the Rush Common Primary School, Abingdon, Oxfordshire, decided it was time to take a leaf out of its students' books, and get a holiday job busking to raise finances.

He said: "Something had to be done if teaching standards are to be maintained. We are in a desperate situation and I thought it was time to raise awareness of the problem we face."

Pupils at the school are currently being taught in classes of between 35 and 40, under leaking roofs, in poorly decorated buildings which they cannot afford to repair.

But the first London appearance of the guitar and banjo-playing duo, called Paddy and Taff, did not go according to plan.

As the rain lashed down, passers-by rarely glanced from behind their umbrellas to watch the act. Their first gig in the capital brought in only £5.10.

Mr Fisher and his singing partner, Col-

in Miles, 50, who have so far raised £600 on the first leg of their round-Britain tour, doubted they would reach their optimistic target.

"We have had a tremendous response from the public, who have said it is sad we have had to resort to this, but realistically, I don't think we'll raise £50,000 - but the money has to come from somewhere," said Mr Fisher.

But all is not lost for the group, as their fan base has rapidly grown to include the likes of the Liberal Democrat leader Paddy Ashdown.

After watching an earlier performance, Mr Ashdown said: "What kind of society are we living in when a headmaster has to spend his half-term busking to pay for a teacher? It is a joke that

this is what Britain's education system has come to."

Another groupie, Celia Bowden, a hursar on a day-trip from Oxfordshire, said it was good to see people with a talent taking things into their own hands when all other approaches have failed.

Although the "Face The Music" tour continues to Nottingham, Durham, Newcastle, Liverpool and Coventry, Mr Fisher was not letting the group's sudden rise to fame get to his head.

He said: "We do enjoy playing and write a lot of our own material, but I don't think the Spice Girls have much to worry about."

"We are more a particular brand of 'old spice' and cater for a very different kind of audience."

## Airport protesters warned of gas explosion

Louise Jury

Police and airport authorities have warned protesters digging tunnels at the site of the proposed second runway at Manchester Airport that they risk causing a methane gas explosion.

The protesters said yesterday no one had told them directly of the danger. But they said they had stopped using candles in the network to reduce the risk of gas igniting.

Contractors working at the airport first raised the issue. A Manchester airport spokeswoman said they were told there was a risk of natural methane from vegetation at the site and they had passed the information to police.

Chief Inspector Tim Burgess said the gas was one of several risks the protesters face. "We have been warning protesters for the last four weeks about the dangers of tunnelling. These dangers include tunnel collapse, the possibility of methane being present, the lack of oxygen and the standard of the site itself." Police would continue to liaise directly with the protesters, he said.

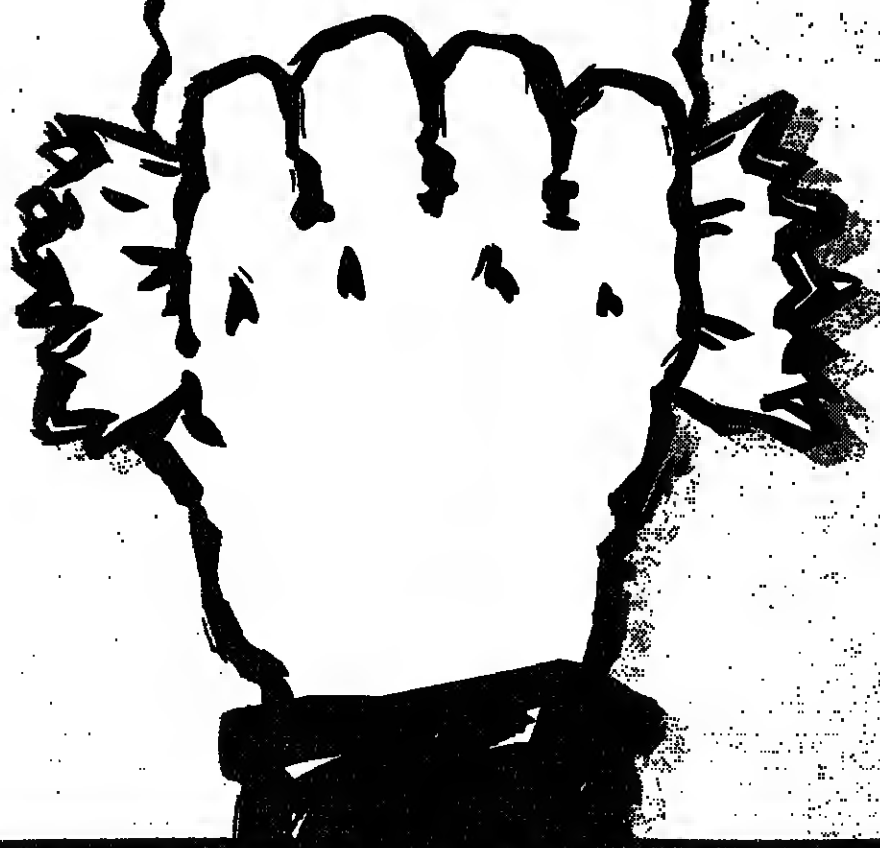
But Ian, a protester from Wigan, angrily denied methane was a problem or that they had been warned of it. The police had first mentioned the possible danger in an interview on local radio and the protesters suspected it was a scare tactic, he said: "The police didn't come and contact us."

Ian said that safety was paramount and they had experienced diggers carrying out the work, which followed similar tunnel protests at Newbury, Berkshire, and along the site of the A30 protest in Devon.

"We have got geologists who have been in and checked everything and there is absolutely no danger."

About 30 people are on two sites adjacent to the airport at present and more are expected as the year goes on. The demonstrators have set up camp on land bought by Manchester City Council on behalf of Manchester Airport plc for the planned second runway.

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Issued by the Department of Social Security

## Couples unable to adopt gain the right to appeal

Glenda Cooper  
Social Affairs Correspondent

Couples who want to adopt a child will now have the right to appeal if they feel they were turned down unfairly, or were the victims of "political correctness".

The Government is bringing in the new measures after a number of controversial cases where parents were denied the right to adopt on the grounds of education, age or race.

In one case, a couple from Norfolk, Jim and Roma Lawrence, from Cromer, were told that they could not adopt a mixed-race child because of their "lack of understanding of racial issues", even though Mrs Lawrence was born to an Asian family in Guyana.

But social workers' leaders yesterday denied political correctness could override a child's chance of a stable home, saying they acted in children's best interests rather than those of potential parents.

The changes, which come into force on 1 April, will ensure couples will be told when their application is being considered by an adoption panel.



Racial issues have complicated the issue of adoption

They will receive a copy of their assessment report, which goes to the panel, and have an opportunity to respond to it in writing. If the panel recommends against allowing the couple to adopt, the pair will be shown the recommendation before it goes to the adoption agency, whether a local authority social services department or a voluntary agency, which makes the final decision.

The couple will then have the right to challenge the recommendation and have it reviewed by the adoption agency.

Stephen Dorrell, the Health Secretary, said the changes would remove "fashionable theories" from adoption and make the procedure more independent and transparent.

"Decisions about which parents are able to adopt children should reflect commonsense values that are widely shared throughout society, and shouldn't reflect the rather specialist and fashionable theories of a particular professional group," he said.

The measures include increasing the number of lay

members on the panels from two to three, including, where possible, one adoptive parent and one person who was adopted.

A spokeswoman for the British Association for Adoption and Fostering said: "Anything that makes adoption more open and accountable would be welcomed by BAAF," she said.

But she defended social workers from charges of "fashionable" theories. "We argue that social workers act in the best interests of the child and do not make decisions out of some notion of political correctness," she said.

"Adoption is an emotive and sensitive area of social work," said Dave Burchell, assistant director of the British Association of Social Workers. "It is understandable that couples who are turned down should feel hurt and aggrieved yet it is the best interests of the children that social workers represent, not the interests of the adults."

An Early Day Motion was tabled yesterday calling on the Government to restore funding to the Overseas Adoption Helpline which has helped 14,000 callers in the last five years.

## Flip side of a political tiddlywink

Adoption is not so much a political football as a tiddlywink. Or maybe just a chestnut. Whenever the Government is short of something to say, they brief lobby correspondents with frighteners about "politically correct social workers". Was it supposed to be a distraction from yesterday's Hogg debate? Last time "politically correct adoption" had a government outing in the dog days of December. Before that, John Major threw in an ill-informed populist reference to it in his dog's dinner of a conference speech: "I still hear too many stories of politically correct obscurities that prevent children being adopted by loving couples that would give them a good home."

There are fewer than 400 babies for adoption each year -

and thousands of couples who want to give them loving homes.

On the *Frost Programme* recently, the PM said he wanted to encourage more inter-country adoption - a claim greeted with angry disbelief since the Government's much-used helpline for would-be adopters of foreign children closes down in two weeks' time.

But if adoption isn't working whose fault is it? After two years of consultation, an Adoption Bill was published with all-party approval, harmonising the chaotic differences between local authorities and regulating overseas adoption. But there were no manifesto-titillating politics in it - so it was dropped from the Queen's Speech.

It was dropped partly for fear that it offered the yahoos on the Tory back benches a chance to

add absurd amendments - trying to strangle single mothers into giving up their babies, for instance. Adoption is such a tiny part of social policy, yet has become an emblem of the family values lobby.

The new regulations the Health Secretary announced yesterday are perfectly sensible. But his social worker bashing spin angered adoption agencies. Would-be adopters will have the right to see and challenge social reports that reject them and more lay people will sit on the panels. No high deal, since many panels do this already.

None of this will change who gets chosen as parents for the newborns that most adopters seek. It is not really a question of people being disqualified but of choosing the most likely of the thousands of couples

available. There is still a desperate need for people to adopt older children, handicapped, or "challenging" children.

There are some 55,000 children in care - and the fate of most of them is a national disgrace: 75 per cent leave care with no qualifications.

The PM talks as if all these children could simply be adopted - end of problem. "Mr Major believes it is important for children to be brought up in the stability of a home rather than being institutionalised in children's homes or drifting between various foster families," a spokeswoman says with devastating banality.

Damaged children need highly skilled social workers, therapy and intensive education - all of which cost money. Polly Toynbee

# Defendants may lose right to opt for trial by jury

Jason Bonnetto  
Crime Correspondent

The legal profession is gearing itself up for a fresh confrontation with Michael Howard, the Home Secretary, over plans to remove the automatic right to trial by jury from a range of crimes.

Under the proposals, which are expected to be announced tomorrow, the defendant's right to choose whether a case is heard by a magistrate or a jury in the crown court will end.

The changes will affect the "either way" category of crimes, which can be heard in either court. These include theft, possession of class B and C drugs, possession of an offensive weapon, gross indecency, and dangerous or reckless driving.

More serious offences, such as murder, must be heard in the higher court, while lesser crimes are dealt with by magistrates.

Ministers believe time and money are being wasted by defendants opting to take so many of the "either way" offences to a jury trial.

The number of offences being dealt with in crown court has risen from 59,000 in 1980 to 73,800 in 1992.



Howard: Set to take on the legal profession

Lawyers have already reacted angrily to what they believe is a threat to a fundamental judicial right - to be judged by your peers.

The move, which will go out for consultation and is unlikely to appear in the Tories' election manifesto, is broadly similar to proposals contained in the Royal Commission on Criminal Justice in 1993. Mr Howard backed away from the proposals then after opposition from senior judges.

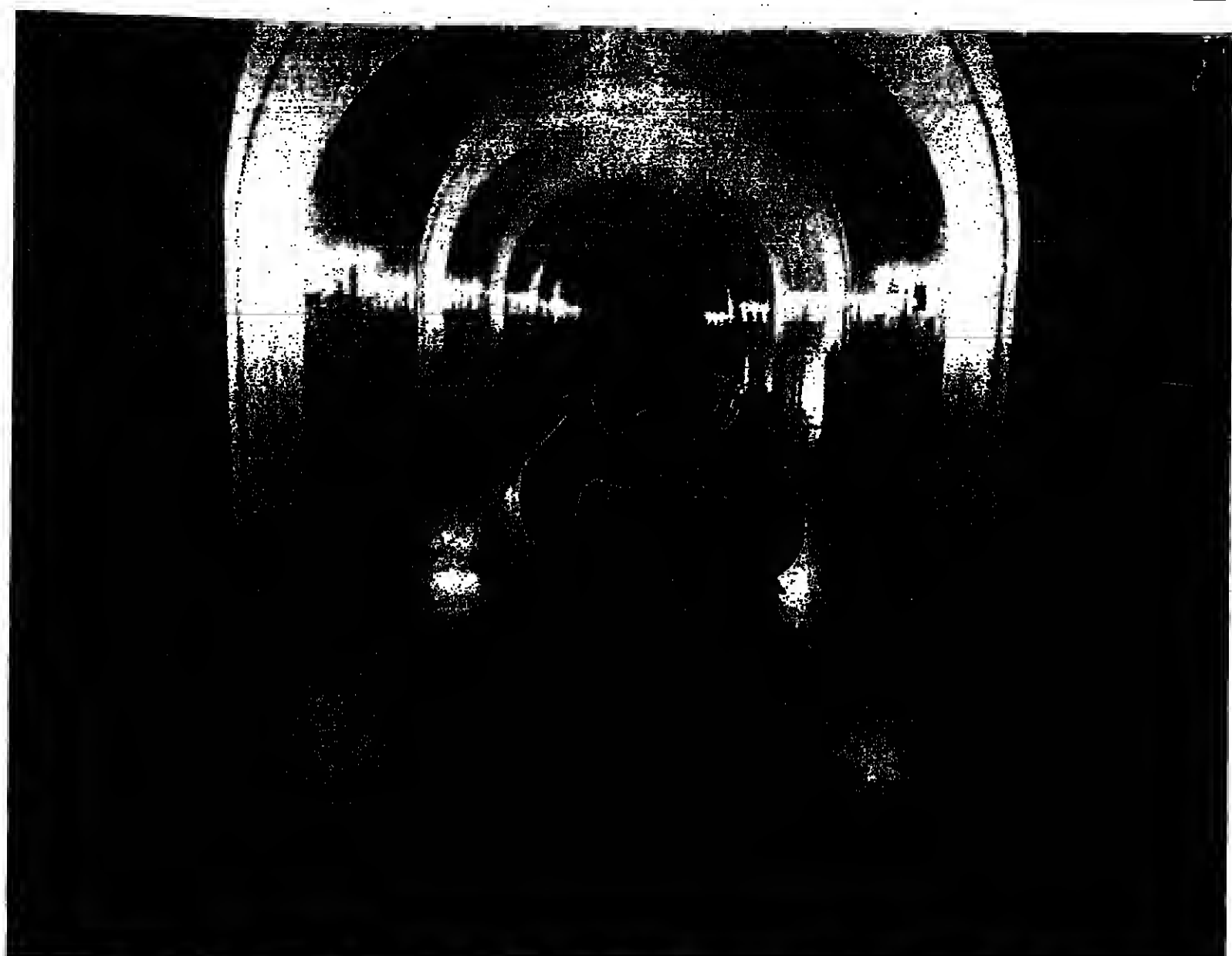
Barristers and solicitors believe the right for a defendant to opt for a jury trial is an important legal principle which if broken could tilt the balance of the criminal justice system too far in favour of the prosecution.

A spokesman for the Bar Council, which represents barristers in England and Wales, said: "We would have grave concerns about the proposed changes we have heard about and we will make our views very clear."

"Obviously the offences that are heard by juries are fairly serious offences which can carry significant prison terms."

"It has always been a principle of the legal system that people charged with serious offences have a right to be tried by their peers."

The Government is also expected to publish a Green Paper next week on tackling child crime. Among the proposals are new powers to impose curfews, enforced by electronic tags, in exceptional cases on parents who fail to control child offenders aged under 10. The plans are to try and divert youngsters away from a life of crime.



Squatter's right: David Balfour, dressed as a 17th-century surgeon, is one of an army of squatters - including artisans and crafts people - who have taken over the Banqueting House in Whitehall this week. Dressed in authentic costumes of the 1600s, they will demonstrate traditional crafts reminiscent of the period after Charles I's execution in 1649, when the people of London took over Whitehall Palace. Photograph: Andrew Buerman

## Doncaster council bans foreign conference trips

Christian Wolmar  
Westminster Correspondent

The beleaguered ruling Labour group on Doncaster Council voted yesterday to ban foreign trips to attend conferences.

But the Doncaster councillors cannot quite see what the fuss is about, despite the recent critical District Auditor's report into their activities, and they will still be allowed to travel abroad for twinning visits and for efforts in trying to attract inward investment.

At yesterday's meeting, the council leadership suggested that the recent controversy was all a plot by the Tory-dominated media, even though it was the criticism of the District Auditor over business class flights to China, Japan and Hong Kong and drunken working lunches at £50-a-head which first drew attention to what is now called "Donnygate".

The decision to curtail foreign trips came as Labour's Na-

tional Executive Committee was deciding on the shortlist for the local Don Valley seat left vacant by the death of the Labour MP Martin Redmond. The NEC was expected to rule out most leading Doncaster councillors because of the affair, even though one - Tony Sellars, chairman of the Labour group - received the highest number of local ward nominations.

Doncaster's councillors are not used to any attention from the media, let alone scrutiny. There are 58 Labour councillors and only three Tories and two Liberal Democrats to provide any semblance of opposition and questioning of council decisions. The council meetings, unlike in most other authorities, are held in early afternoon and the Mayor, Dorothy Layton, conducts the business so briskly with lots of references to the red book - not Mao but the standing orders - that meetings rarely take more than an hour.

long-standing chairman of the Racecourse Committee, said he had drawn "the short straw" because most of the leading councillors were away in London for the shortlisting, leaving him to face the music over "Donnygate".

Mr Gillies outlined the new controls on foreign trips. He was quick to say that the District Auditor was not against the "principle of foreign trips," but he was worried about the way they had been sanctioned. While many are beneficial in attracting help from Europe and inward investment, Mr Gillies said all trips would be submitted to a council committee for approval in future.

The Tory councillors' attempts to make a few political points were rather ruined when their leader, John Dainty, admitted he had gone on a council trip to Wilmington, Delaware, to look at social services, and hastily added: "But we travelled economy class."

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## What goes up does not necessarily come down...

Steve Bennett, an amateur rocket builder, was yesterday searching for his latest missile after it roared into the clouds and vanished.

A signal from the 10-foot Lexx rocket abruptly stopped and there was no sign of it floating back to earth on its built-in parachute over the Cheviot Hills in Northumberland. On top of that, Mr Bennett's hope of breaking the sound barrier appeared to have been dashed as he listened in vain for a tell-tale sonic boom.

But Mr Bennett, 33, was not disappointed. "I am remaining optimistic," he said as he stood in rain driven by a fierce wind over 1,000 feet up on the Otterburn Army Ranges.

"The conditions were really poor with all this rain and wind and there was a point when I was afraid it might not leave the ground today, so it was a big relief when it did go."

"As far as I am concerned it has at least been a 50 per cent successful exercise."

"If we get the rest of the rocket back it will have been 100 per cent successful. As for whether we reached the height and speed hoped for, we won't know until we get the vehicle back and analyse the data from it."

Problems including short circuits meant the countdown was repeated five times before the rocket hurtled into the cloud base and out of sight.

Until Mr Bennett and his six-year-old son Max can find it and check the data from its instruments its performance will remain a mystery.

He was not too surprised that observers had not seen the rocket parachuting back down to the ground, "as in this wind it would have drifted, so it could be coming down four miles to the north-west."

The flight was a test of the top

stage of a planned 22-foot rocket - his biggest yet - which he hopes to launch in about six weeks. "It will be full steam ahead with the three-stage vehicle, which we are going to send up three miles, hopefully before the end of March."

Mr Bennett expects it eventually to reach altitudes of 15 miles. The world record for an amateur launch is 10 miles.

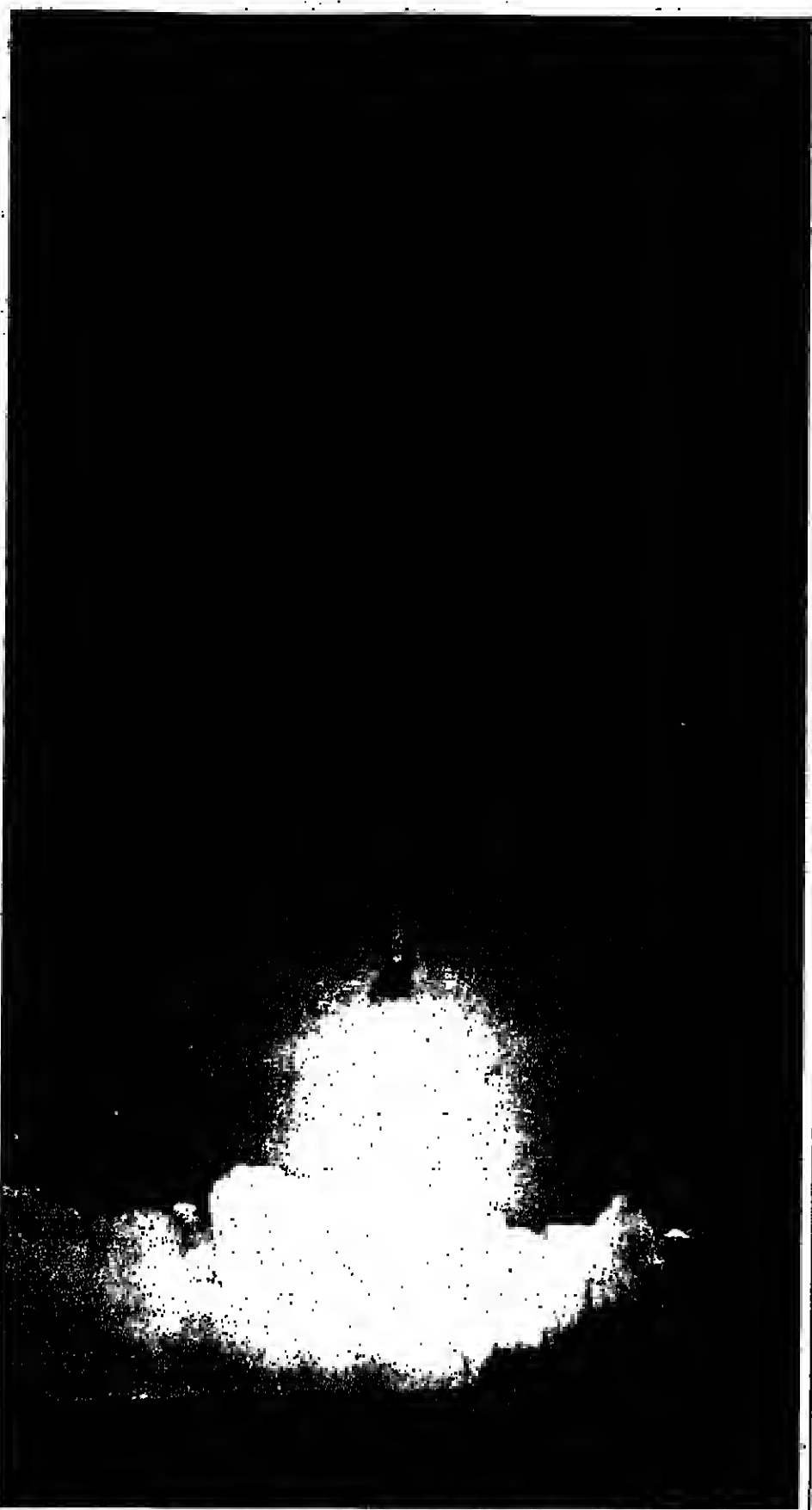
"We're still on target for April, there was nothing wrong with the motor. This is the run-up to our getting a satellite into space by the new millennium."

Mr Bennett is sponsored by Lexx, a science-fiction television series due for release this year.

He is also working with the University of Salford, testing engine power, computer software and parachute mechanisms. He has spent 20 years building some of the world's largest amateur rockets.



Blast-off: Steve Bennett at the launch, and the wayward rocket on its mission of no return. Photographs: Will Walker



## Minister labels train company inept over cuts

Randeep Ramesh  
Transport Correspondent

Thousands of commuters face delays and train cancellations after a privatised rail company's decision to cut 71 drivers amid the introduction of new working practices.

Thirty-nine trains have been wiped off the South West Trains daily timetable as the company struggles to instruct new drivers. The move came after a fortnight of misery for travellers in southern England where an average of 17 services a day were scrapped. One cancellation left 800 passengers stranded in the rush hour.

More than 200 train services throughout London, Surrey and Hampshire will be cancelled this week. Stagecoach, the bus and rail company which took over the company last year, admitted the curtailed services could take six weeks to sort out.

John Watts, the transport minister, described South West Trains' actions as "somewhat inept" and warned that the company faced large fines for failing to meet its obligations.

The Labour Party seized on the cancellations as proof that privatisation was not working.

"South West Trains have broken their privatisation pledges, leaving passengers cheated out of the rail services they were promised a year ago," said Andrew Smith, the Labour's spokesman on transport.

A spokeswoman for SWT said: "This is the last thing we wanted to do but we felt it was the best way to minimise inconvenience to passengers."

Of the 39 daily services affected, 33 were short-distance shuttle services, and many were on routes also served by other operators, she said. However, some mainline services between Portsmouth and Waterloo were also affected.

The company offered drivers voluntary severance as part of a major restructuring programme to bring in new pay and working conditions.

The deal - meant to introduce greater flexibility - replaces a wage package worth up to £23,000 with a flat rate worth between £25,000-£26,000. The new system meant that some of the company's 650 drivers transferred to other depots and needed to be retrained to drive different routes, she added.

Drivers have to be trained so they know the position of sig-

nals, track and stations along the route. Learner drivers have to be supervised by more experienced hands and this has contributed to the shortage of services on South West's routes.

A spokesman for the Office of Passenger Rail Franchising (OpRAF), which let the train company last year to Stagecoach, said that SWT was facing "substantial" fines - set to run into tens of thousands of pounds - if the crisis was prolonged.

"This event should not have happened," said a spokesman for OpRAF. "We are monitoring the company's progress and would like to see a swift return to the agreed timetable."

The fine is unlikely to dent the company's balance sheet unless it continued for months. Under South West Trains' contract with the Government it is paid more than £5m a month to run the service. Any penalty would be taken out of this monthly subsidy.

Jonathan Bray, the co-ordinator of railway campaigners Save Our Railways, said: "It's certainly astonishing incompetence by management. We're not aware of anything like it happening before."

## London tube train derailed

Underground passengers were led to safety yesterday after the derailment of a tube train at King's Cross/Euston.

Police and ambulance crews were at the scene and services on the Northern Line were suspended following the incident which took place at 10.10am. There were no reports of any injuries.

London Underground said that all 100 or so passengers on board the train had been led to

safety along the track to Euston station, which was a distance of about 150ft. A spokesman said that the cause of the derailment was being investigated.

All services were suspended both north and southbound along the affected section of the Northern Line, although a southbound service via Bank was still operating.

London Underground said later that 118 people had been on board the derailed tube.

And it confirmed that nobody had been injured.

A spokeswoman said that investigations were still going on as to the cause of the accident, as a result of which the Northern Line was unlikely to reopen between Camden and Moorgate - the City branch - until today.

However, the spokeswoman said that normal services had resumed on the Charing Cross branch line.

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## news

# Asylum seekers win right to support

Jojo Moyes

Local councils have a legal obligation to provide food and shelter for asylum-seekers whose benefits were withdrawn by the Government last year, the Court of Appeal ruled yesterday.

The court dismissed an appeal by Westminster, Lambeth, and Hammersmith and Fulham councils against a High Court decision that they must provide housing and "the basics for survival" to asylum-seekers who are in need of care while their claims for refugee status are being assessed.

The four men who prompted the case – from Iraq, China, Algeria and Romania – are not entitled to social security benefits, are not allowed to work in the UK, have no family or friends in the UK, and speak little or no English.

If the authorities had won their appeal, they and up to 3,000 people, most of them in the capital, could have ended up on the streets.

The appeal judges, headed by the Master of the Rolls, Lord Woolf, upheld a ruling by Mr Justice Collins last October that local councils must help people who are denied emergency aid as part of the Government's bid to curb bogus asylum applications.

The local authorities, refused leave to appeal to the House of Lords, plan to petition the law lords. But Gerry Clure, solicitor for the asylum-seekers, said he hoped that the matter had finally been put to rest.

"I would hope that the House of Lords would refuse any petition for leave to appeal against today's decision because at the end of the day Peter Lilley (Secretary of State for Social Security) was warned when he threatened to put these measures through that they would not succeed be-

cause they were unlawful," said Mr Clure.

The councils had contended that their duty to provide shelter and food was only to those in need by reason of age, illness, disability or similar circumstances, and not to able-bodied people who simply had no money.

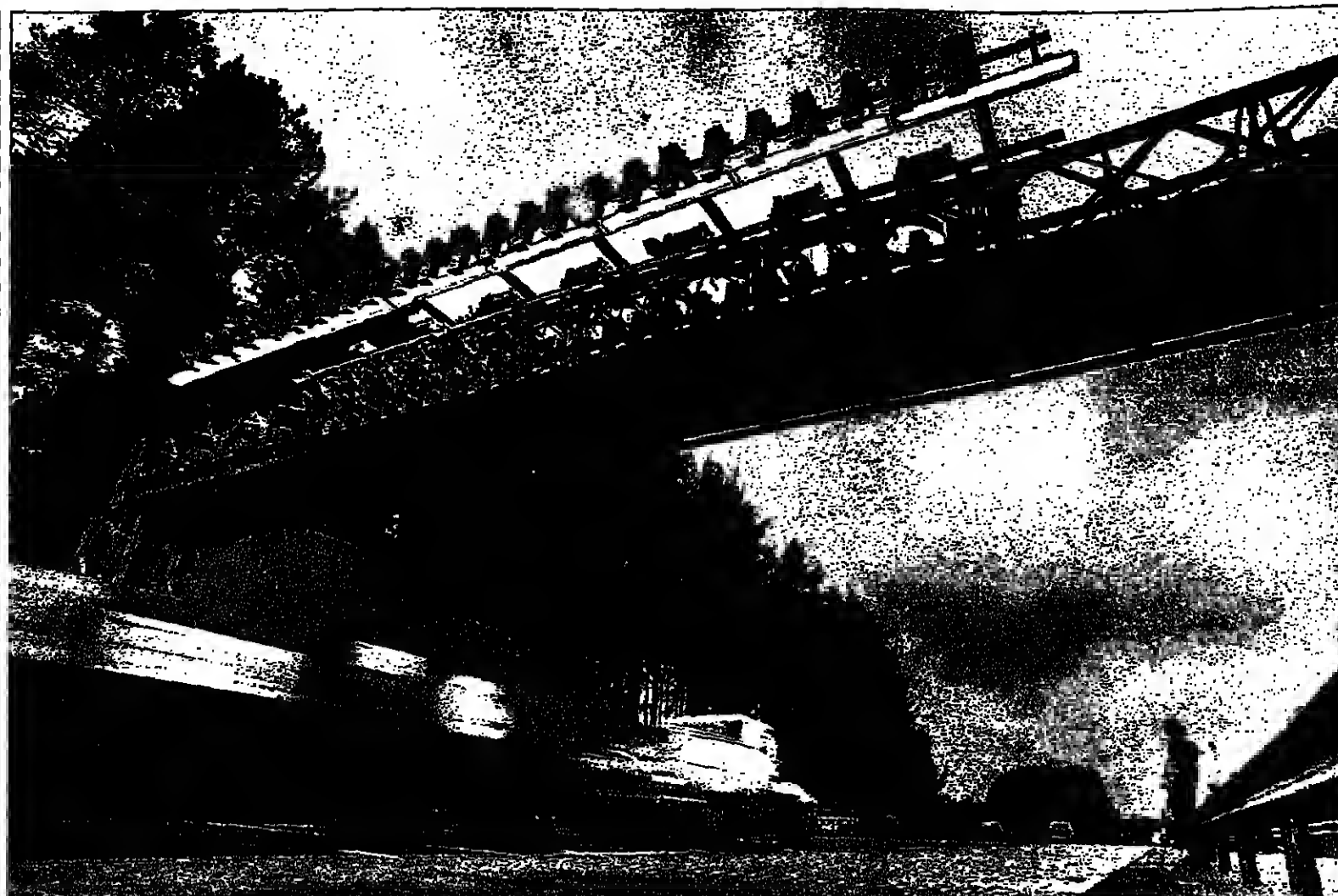
Michael Beloff QC, for the councils, had said that as a result of the Government's new benefit restrictions last year, many asylum-seekers, who were not allowed to work, faced the choice between starvation or being sent back to the country where they claimed to have been persecuted.

However, he said that did not justify shifting the burden on to local authorities.

Westminster Council said later that it was "dismayed" by the judgment, and added that it should not be expected to shoulder any of the "unacceptable burden" while its move to appeal to the Lords was pending.

"Supporting asylum-seekers who are without accommodation or means of support is not a duty which should rest with local authorities and is fraught with legal and technical problems," it said. The cost falls on just a few London boroughs and is hugely expensive. Westminster alone will spend around £3m in the next financial year providing support and accommodation for asylum-seekers.

Claude Moraes, director of the Joint Council for the Welfare of Immigrants, said: "There is a limited welcome for the confirmation that local authorities must provide a basic subsistence. But this is an overall tragedy for UK-based asylum-seekers because central government has evaded its responsibility to provide basic benefits on a consistent and humane basis," said Mr Moraes.



Picking up signals: Vehicles undergoing tests of the GEC-Marconi electronic tolling device at the Transport Research Laboratory at Crowthorne in Berkshire yesterday. The system uses smartcards (below) mounted on the windcreens to bill the driver. Photographs: David Rose

## Motorway tolls unveiled, but drivers will not pay price until next century

Randeep Ramesh  
Transport Correspondent

Motorway tolls will not be imposed until 2002 at the earliest, the Government said yesterday.

Dr William Gillan, who is in charge of the Department of Transport's motorway tolling project, said it would be five to six years before any system would be ready to use. He made the announcement at the Transport Research Laboratory at Crowthorne in Berkshire, which is conducting tolling trials.

After 10 more weeks of the trials, ministers will decide whether to proceed with tests on the M3 in Hampshire. If approved, motorists could be invited to help by having on-board equipment put into their cars,



although the trial will not involve anyone having to pay any charges.

A number of companies were initially involved in technology trials but only two now remain

so much more of the trials we have conducted here," said John Watts, a junior transport minister.

The Government has not set the price that drivers would have to pay – but has said that any money raised would be used for motorway maintenance.

Electronic tolling was first suggested by the Government in 1993, with possible toll charges of 1.5p-a-mile for cars and 4.5p for lorries.

Systems from two companies – GEC-Marconi and Bosch Telecon – were demonstrated. Both devices rely on antennae placed on overhead gantries to pick up signals from vehicles installed with tolling technology.

The systems tested use smartcards – a kind of constantly rechargeable phone card – mounted on the windscreen to bill the driver.

Bosch said that at present its system had a failure rate of about one in 10,000 vehicles, but was hoping to improve this to one in a million.

Information gathered by the roadside can be passed to regional or national centres. Anyone passing through illegally – with no credit on their card – could be filmed and later penalised.

Road tolls have been tested in California, Hong Kong, Singapore and Germany.

According to Dr Grant Klein, editor of the *Intelligent Highway*, a trade magazine, "Britain is well behind the rest of the world. The best German systems were not even considered in the trials today."

## Jail for woman motorist six times over limit

A woman who drank a bottle of vodka and then drove on a motorway while she was more than six times over the legal limit was jailed for four months yesterday.

Rosemary Foster, 23, whose breath-test reading of 225mg of alcohol was the highest recorded by a woman, will also serve three concurrent sentences of two months each for assaulting three police officers and was banned from driving for five years by magistrates at Macclesfield in Cheshire.

Foster, of Weston Coyney, Stoke-on-Trent, Staffordshire, was found by police wandering near her car on the M56 near Altrincham, Greater Manchester, after running out of petrol on 12 December last year.

Keith Jones, for the prosecution, said that on her way to the police station after providing a positive breath test, she spat vomit at two police constables and later threw scalding coffee at a woman constable.

Foster had earlier pleaded guilty to driving with excess alcohol and to three charges of assaulting police officers. The chairman of the magistrates, Patricia Ferguson, told her: "Your behaviour on arrest did nothing to improve your situation."

PC Brendan McCarthy and PC Nicholas Woodcock had "risked their lives" to rescue Foster after finding her running on to the carriageway "waving her arms about", she said. "They were going about their public duty and they were assaulted."

Mr Jones told the court that the officers found Foster and a friend near her Ford Fiesta parked on the hard shoulder. "Her condition appeared to be highly distressed and she smelled very strongly of alcohol." Asked if she had been drinking, Foster replied: "Yes, but don't arrest me. Take me to my mum's in Stoke."

Mario Cape, secretary of the Campaign Against Drink-Driving, welcomed the sentence and said more custodial sentences were necessary until drivers got the message. "This is sending out the right messages that we just won't tolerate this type of behaviour," she said.

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## international

America's iron lady goes to work as chill thaws in east Europe

## Full steam ahead for the Albright express

John Carlin  
Washington

Madeleine Albright began her maiden voyage around the world as the new United States secretary of state with a stop in Rome, where the press promptly dubbed her "the Iron Lady" — an image which sheds more light on Italian anxieties about females in high office than it does on the character of the most powerful woman in American history.

By the time "the Albright Express", in her own whimsical words, concludes its 10-day, nine-country tour of Europe, Russia, China and South Korea the comparison with Margaret Thatcher will be wearing rather thin.

Yes, she wears her patriotism in her sleeve. Her belief that "America truly is the indispensable nation" is drenched with the gratitude of one whose family discovered in the US a safe haven after the storms of Nazism and Communism had buffeted her native Czechoslovakia during the Second World War.

And she is more than grateful, amazed — more My Fair Lady than Iron Lady — at the bounties the land of opportunity has delivered. From her public pronouncements ("I am kind of this American story") one senses that she has to pinch herself sometimes to convince herself it is true that she, this mother of three who left it until her forties to leave home and start a career as a researcher, has achieved such phenomenal success.

The reason she has done so staggeringly well is that she shares with Baroness Thatcher another quality, a dogged resolve to get her own way — as demonstrated most recently by



Madeleine Albright, the new US secretary of state, with the German Chancellor, Helmut Kohl, in Bonn yesterday

the single-minded aggression with which she hounded Boutros Boutros Ghali out of the United Nations. And she has a tendency to lecture people, the Italians having received an earful on Sunday for doing business with "rogue states" like Libya, Iraq and Cuba.

But here the Iron Lady analogy abruptly ends. Mrs Albright is a woman with a sense of humour. Lecture she might but a smile is never far from her face and she always has a self-effacing pleasantness at the ready. Imagine Lady Thatcher confessing in an interview, "I'm not that smart. I work very hard." Or, as Mrs Albright candidly remarked to reporters accompa-

nying her on her coming-out world tour, her style is "friendly". "It's a very people-to-people style, everybody has their own style and I am trying my own out."

Style is not a word one would associate with her diffident, owl-like predecessor Warren Christopher whose lack of "people" skills was one reason why the Clinton administration found itself so often at odds with Capitol Hill on foreign policy.

Mrs Albright's greatest strength is her capacity to project a confident, assertive personality without provoking antagonism. No member of President Clinton's cabinet elicits support across a wider base.

She has charmed Jesse Helms, the Cold War dinosaur who chairs the Senate Foreign Relations Committee, while winning the admiration of the feminists and other "liberals" whom Senator Helms and his conservative colleagues deplore.

For now, at least, the world may take comfort in the knowledge that when Mrs Albright speaks she does so, on most important issues, on behalf of the US government as a whole. It was a constant source of frustration to allies and foes alike during the first Clinton term that the White House was saying one thing and Congress something else. That led to paralysis, for example, on Bosnia.

Within the convoluted world of Washington politics Mrs Albright will emerge as the closest one can find to a coherent voice. And voice is the word. She is, as has been observed, the queen of the soundbite, a public attribute that combined with her winning ways in private make her the ideal spokeswoman of American foreign policy.

Her weakness is that she is not a policy maker, as one of the rival aspirants to her job, Richard Holbrooke, would have been. But there are benefits here too. Mr Holbrooke, whose abrasiveness as assistant secretary of state for Europe, was what was needed eventually to bring the Bosnian Serbs to heel would undoubtedly have led to running spats with the Pentagon, the CIA and the White House.

Mrs Albright is a team player, utterly loyal to the president who made her queen. When foreign leaders meet her they need not nag themselves with the troubling doubt that she might be speaking for herself alone.



Men in suits: Astronauts Mark C Lee and Steven L Smith, seen here reflected in Lee's visor, standing at the flight support system in the aft cargo bay of the space shuttle Discovery during the third spacewalk taken to service the Hubble telescope  
Photograph: AP/Nasa

## Hungary and Romania sign pact

Duncan Shields  
Reuter

Debrecen — The defence ministers of Hungary and Romania confirmed a warming of relations between the two countries yesterday by setting up a joint military unit and signing an accord on the protection of military secrets.

Analysts believe the agreements reached will enhance both countries' chances of early Nato membership and could mean Romania joining the current favourites — the Czech Republic, Poland and Hungary — in the first group of new members to Nato to be announced at the alliance's next summit in July.

"We have signed an agreement on the protection of secrets that will enable ... close military co-operation," Hungary's Defence Minister, Gyorgy Keleti, said, after signing the accord with his Romanian counterpart, Victor Bahiuc, in the Hungarian city of Debrecen near the Romanian border.

"We have also agreed to set up a joint Hungarian-Romanian peace-keeping battalion for use with Nato, the United Nations and the Organisation for Security and Cooperation in Europe."

Hungary's defence ministry official responsible for Nato integration, Istvan Gyarmati, said he and his Romanian counterpart had been entrusted with

working out the details of the new unit. Mr Gyarmati added that the Romanian part of the new battalion will be based in Romania and the Hungarian part in Hungary, with a joint command and joint exercises.

Mr Keleti said the agreement on the protection and exchange of military secrets was Hungary's first with an East European neighbour. "It will enable us to exchange important military information," he said. "So far, we only have such agreements with the United States, Germany and Sweden."

Bucharest's new centre-right government, elected last November after seven years of rule by ex-Communists, is trying to boost Romania's chances of

early admission to Nato by developing a new partnership with Hungary.

Romania's new President, Emil Constantinescu, appointed two leaders of Hungary's ethnic minority to his government, while Foreign Minister Adrian Severin's first trip abroad was to Hungary, to exchange ratified basic treaty documents with his Hungarian counterpart, Laszlo Kovacs.

The treaty, signed in September, aims to end old quarrels by guaranteeing Romania's western borders and ensuring the rights of Romania's 1.6 million ethnic Hungarians. It is seen as vital to the ambitions of Romania and Hungary to move closer to Europe.

## Gurkha families can come to UK

Paul Majumder  
Reuters

Gurkha soldiers from Nepal won the right yesterday to bring their families with them to Britain under a one million pound package announced by the Government.

"We expect that under these arrangements some 900 Gurkha dependents, wives and children will come to the United Kingdom," the armed forces minister, Nicholas Soames, told Parliament.

With the handover of Hong Kong to China due in June, the

British army took the opportunity to stage its first major review for 40 years of Gurkha terms of service. These terms were originally laid out in a 1947 tripartite agreement by Britain, Nepal and India, which also takes Gurkhas in its army.

Nepali soldiers, famed for their hardness, loyalty and combat skills, have served with the British army for 180 years. They suffered 43,000 casualties in the two world wars and have been awarded 26 Victoria Crosses, Britain's supreme medal for bravery. The British Army currently has 3,250 Gurkhas serv-

ing in Hong Kong, Brunei and Britain, although numbers have been sharply reduced in the British army since the end of the Cold War.

The handover of Hong Kong to China will focus the Gurkhas much more in Britain, where an extra 450 married quarters are being made available for them. Ministers had felt it was unjust to separate Gurkha families and believed that the Nepali-born soldiers should be treated the same as British-born soldiers.

Mr Soames said: "Taking advantage of the drawdown in Hong Kong and the relocation

of most of the [Gurkha] brigade to the UK, the ministry of defence has undertaken a major review in order to restore fairness and equity."

Pay levels will be standardised, with the new average salary for corporals at an across-the-board rate of £13,000.

Gurkha soldiers will also be able either to send their children to British schools or get education allowances back home. Mr Soames expected that most Gurkhas would opt for Nepali boarding schools for their children. The soldiers get five months' leave every three years.

## County set decamps to Hungarian plain

Adrian Bridge  
Kisköre

When Richard Merriken told farming friends in the UK that he planned to take on the running of a vast farm on the edge of the Hungarian *puszta* they thought he had taken leave of his senses. "Can't say I envy you, old boy," was a typical response. "It will never work."

Tilling the fertile black soil of the great Hungarian plain has thrown up challenges that Mr Merriken never encountered as the owner of a modest-sized farm in Bedfordshire. But after almost one-and-a-half years in Hungary, he at last feels that he is getting on top of things. He also believes he is sitting on a nice little earner.

"Look at the scale of this place," he says, pointing to the state-of-the-art satellite map of his 3,500 hectare farm close to the Hungarian village of Kisköre. "It is much bigger than anything I could have got back home with just a fraction of the running costs. In the long run it has got to be a goldmine."

Mr Merriken, 32, is one of a growing number of British farmers who, despairing at the high prices and low supply of quality land at home are beginning to set their sights further afield to Hungary and elsewhere in central and eastern Europe.

As with most of the industrial sectors in the region, the British have left it late, following in the wake of their more astute Austrian, German and Scandinavian colleagues who were quicker to sniff out the opportunities for farmers following the collapse of communism in 1989.

Although many of the prize plots have long since gone there are still some bargains to be had and over the past few months convoys of British farmers have



been flocking to attend agricultural "study tours" in the region. "There are possibilities here for all sorts of farming: arable, dairy, poultry and pigs," said Peter Bennett, a British agriculture and property consultant who last year arranged a study tour for British farmers.

"Hungary already boasts a highly developed agriculture industry and with the country likely to join the EU within the next decade, it is an attractive proposition."

Setting up as a farmer in Hungary, though, is easier said than done. For one start, al-

though good agricultural land here is currently selling for around £250 an acre compared with between £1,500 and £4,000 an acre in the UK, foreigners are not allowed to buy it following the passage of a 1994 law aimed at preventing too much of the country falling into non-Hungarian hands. Legally, the only way in is through buying shares in a firm to which farming land is attached or, as in the case of Mr Merriken and his three UK partners, by taking out a lease (currently for a maximum period of 10 years).

However, there are a host of practical problems, as Mr Merriken discovered when he took over the running of the Kisköre farm in September 1995. "When I first came here I did not have a clue," he said. "On my first day at work I suddenly found myself having to address a crowd of suspicious-looking people without knowing a word of Hungarian. I simply did not understand what was going on around me."

Like most of Hungary's former state collectives, the Kisköre farm, which specialises

in wheat, had become grossly over-manned and inefficient. Idling and drinking on the job were rife while removing diesel fuel from tractors or fertilisers for private plots were considered perks of the job.

"Under communism, Hungarian agricultural labourers were paid so little that there was no incentive to work and stealing was considered fair game," said Mr Merriken. "Changing that mentality has been — and still is — our greatest challenge."

The introduction of several state-of-the-art tractors and

combine harvesters helped convince an originally sceptical workforce that the British farmer with his red Land Rover and Labrador meant business. So too did Mr Merriken's unconventional tendency to roll up his shirt sleeves and drive the combine harvesters himself, his decision to up the general wage level to 50p an hour (20 per cent more than local competitors) and to reward employees with bonuses and promotion.

New technology and working methods have resulted in the sackings of many of the older workers at Kisköre who either would not or could not adapt, but new workers have been taken on as a result of the dramatic increase in the farm's output and expansion of its dairy section.

Agriculture ministry officials in Budapest acknowledge that the introduction of Western farming methods can only raise overall standards in Hungary ahead of its hoped-for entry into the EU. "It's good for us and it's good for you too," enthused Sandor Oravecz, a senior figure in the ministry.

On a good day, Mr Merriken shares those sentiments. On a bad day, when the icy Siberian wind comes shooting across the *puszta*, he admits to feeling somewhat isolated among his thousands of hectares.

"There's not much of a social life here," he concedes. "Occasionally I go down to the village and drink a few beers with the men. Sometimes we resort to chess. Hungary is a far cry from the Home Counties."

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# Swiss agree inquiry into lost Nazi gold

Louise Jury

Switzerland yesterday agreed to back a plan for a conference to establish what happened to Nazi gold during and after World War Two. The idea came from members of a British cross-party group on anti-semitism in a meeting with the Swiss Foreign Minister, Flavio Cotti, in Bern.

The Labour MP Greville Janner, who is also a vice-president of the World Jewish Congress, said other governments would now be approached to set up the meeting, but securing Swiss backing had been vital as a first move. "It could not work without the full co-operation of the Swiss."

The aim is to speed the pooling of information in a form of "truth commission". Although Switzerland was at the centre of transactions of gold owned, and in many cases looted by the Nazis, it was not alone. Other countries including Sweden, Portugal and Argentina also accepted gold whose origins have been questioned by Jewish groups who believe much of it came from Holocaust victims.

Mr Janner was joined by the Conservative David Hunt, a

fellow member of the Inter-Parliamentary Council on Anti-Semitism, and the Labour MEP Glyn Ford for the day's meeting. Switzerland has just begun its own inquiry into what happened after documents found in the US and Britain raised questions about its war-time dealings and prompted a storm of international pressure.

Mr Janner said the proposal meant all the countries that bought or handled Nazi gold should pool their knowledge on how much there was and where it went. "There are two objects. The first is to find the truth for its own sake. The second is to consider whether, on the basis of the truth, funds can be made available, first for the (Holocaust) survivors and their families, and second, to ensure that there is never a future Holocaust."

The whereabouts of much of the wealth is unknown. However, one stock still exists. It was recovered by the Allies at the end of the war to provide restitution to countries whose reserves were looted when Germany invaded them. Most of the 377 tonnes was distributed some time ago, but the tripartite Gold Commission of

Britain, America and France, had been due to make the final distribution of around \$68m this year. This has been suspended for the time being after claims from Jewish organisations that the remainder should not go to governments but to Jewish families who lost their wealth under the Nazis. In a gesture of conciliation from the Swiss yesterday, the British delegation was also told that previously secret lists of 13,000 Jews refused entry to Geneva when they sought to escape persecution would be released. Many families are still trying to establish what happened to members during the war.

Gold and the Holocaust, page 15



Call of the wild: The first team of sled dogs heading out yesterday for the start of the Race to the Sky in Lincoln, Montana. Warm temperatures made the going rough and some of the mushers were preparing to wait in the shade and run their teams at night. Photograph: Tim Thompson/AP

## significant shorts

### Tajik rebels free their last five UN hostages

An Islamic rebel group in Tajikistan freed the last five hostages it held, all of them UN workers, a Tajik official said. President Imomali Rakhmonov, who negotiated the release, greeted them at the village of Obigarm. All the hostages - two UN military observers and three workers with the UN refugee agency - were on their way to Dushanbe. **Reuters - Dushanbe**

### Bomb kills Spanish policeman

A policeman was killed as his car exploded in the north Spanish town of Bilbao. A bomb was placed in his car, which was parked at the back of a school. Police said it was too early to say if the separatist group Eta was behind the attack. **Reuters - Madrid**

### Australian extortion deadline

Australian police told shoppers to be vigilant as the deadline in an extortion threat arrived. An extortionist threatened to plant poisoned biscuits on supermarket shelves along the east coast from last night. The extortionist has demanded police involved in a 1991 murder case take a lie-detector test in an attempt to prove the innocence of a friend. **Reuters - Brisbane**

### Starry US puff for Cuban cigar

Cuba has invited 100 US business leaders and celebrities to a dinner in Havana next week to celebrate the 30th anniversary of the Cohiba cigar. As most Americans are forbidden to travel to the island, Cuban officials are mum on who is on the guest list but reports say Jack Nicholson, Danny de Vito, Matt Dillio and Arnold Schwarzenegger may be among them. **Reuters - Fort Lauderdale**

### US and India expel envoys

A meeting between an Indian intelligence official and a US diplomat resulted in the American's expulsion from India, the US Embassy said. Indian papers said the US retaliated by ordering two Indian diplomats out of Washington. Newspapers reported last month that Rattan Sehgal was fired as counter-intelligence chief for India's Intelligence Bureau because of the meeting, which Delhi said was unauthorised. **AP - New Delhi**

### Portugal's leader in Macau

The Portuguese President, Jorge Sampaio, is due in Portuguese-administered Macau for a six-day visit before travelling to China. He will discuss the transition of Macau to China in 1999. **Reuters - Macau**

### Europe honour for Delors

This year's 300,000-guilder (£98,125) Erasmus Prize for exceptional services to Europe has been awarded to Jacques Delors, former European Commission president. **Reuters - Amsterdam**

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## obituaries / gazette

## John Horner

Prophetically, perhaps. John Horner was born on 5 November 1911, as for most of his life his reputation was that of a left-wing firebrand, exploding with genuine fury at the exploitation of workers, particularly in the fire service. His famous Fireman's Charter was one of the outstanding trade union successes of the Second World War. Surprisingly, he was also a polymath, fascinated by art, philosophy and English literature who would, in other social circumstances, have almost certainly opted for life as a historian.

His father was an illiterate building labourer but his mother was intelligent and encouraged his education at a local grammar school in Walthamstow, east London. With no chance of the further education he would have enjoyed, he left at 15 to start work as a trainee manager at Harrods. He departed rapidly and joined the Merchant Navy, where he loved the life and by 1932 had achieved his Second Mate's Certificate. The economic depression was reaching its trough. The Merchant Navy was cutting ships and crews. By 1933 he was unemployed. It was then that he joined the London Fire Brigade.

Immediately he was appalled at the working conditions and the attitude of the authorities towards the crews. Working from within the Brigade at first, and with considerable courage in a reactionary atmosphere, he began to press for improved pay, working hours and working practices but his breakthrough came in 1939 when the Auxiliary Fire Service was inaugurated and, for the first time, "amateurs" and even women were expected to work with the professionals. In 1939, as the war started and following a left-wing coup d'état he became the General Secretary of the Fire Brigades Union.

One of his earliest moves was to lead them into an intensive battle to attract AFS members to join, along with the professionals. "The situation was acute," he wrote later. "We could not afford to allow the AFS to remain unorganised... more important, we could not allow some other body, union or otherwise, to organise the AFS."

Under his charismatic lead the membership swelled from 3,000 to 69,000 and by 1941 he had the power he needed to force through essential reforms. Many fire crews were, at times, working up to 110 hours a week, and through poor government foresight, some had been existing in condemned schools, cellars, huts and even sleeping on pavements. In London, the AFS had only one set of uniforms each and at the height of the Blitz, returning to their stations soaked to the skin with water, frequently had to clean their equipment in their underpants while their trousers dried. Horner's pressure forced the Home Office, in desperation, to buy up 25,000 pairs of postmen's trousers for the men until proper supplies were available.

Already, the union had published a pamphlet, *Your Right to Compensation*, and distributed it throughout the British fire service. In 1941, during the lull which followed the Blitz, Horner launched the famous Fireman's Charter, demanding five main points - a national minimum basic wage of £4 a week, full pay while sick or injured, a 72-hour week (enemy action excluded), a just discipline code and a proper system of promotion.

The launch of the Charter was followed by 400 met meetings throughout Britain. In 1941 the National Fire Service was founded, and soon after, the

Home Office conceded that fire-fighters should be treated on the same basis as other servicemen, with full injury pay up to 26 weeks. Not all the points were won, but it was an impressive beginning to an era of increasing success for the FBU.

Despite his reputation, Horner could be co-operative. It was a tribute to his authority and a sign of official acceptance of the rapidly growing FBU power that when plans for nationally organised Home Cover and Task Force units were introduced in 1944 to counter the effects of renewed enemy air attacks on London, the authorities invited him to join them in the preliminary discussions and were relieved to receive his full support.

When the war - and the National Fire Service - ended, Horner once more instigated campaigns for better pay, better safety (including the controversial fight to end the use of hook ladders), shorter hours, better conditions and equipment and better pensions which were to continue until his retirement in 1964.

Always on the extreme left-wing politically and, like many others at that time, inspired by the heroism of the Soviet people during the war, Horner had joined the Communist Party in 1945 although he had been offered a nomination by the Labour Party for the first post-war election. Later, he regretted the move, particularly as the



Horner: constructive thinking

Communist Party strove to dominate the policies of British trade unions. After the Soviets' violent action in suppressing the Hungarian uprising in 1956 he resigned, taking with him all his fellow Communist leaders of the Fire Brigades Union. Soon after this, he found a more satisfying niche in the Campaign for Nuclear Disarmament.

Horner resigned from the FBU in 1964 to become Labour MP for Oldbury and Halesowen for six years, serving as a member of the Select Committee on Nationalised Industries and, following an official visit to the Far East publishing a Report on the Pacific Dependencies. His life as an MP was not as successful as his past years as a trade union leader and after losing his seat in 1970 he settled into early retirement and, in 1974, published his book *Studies in Industrial Democracy*.

Despite his battles with the London Fire Brigade, he kept his fireman's black silk scarf as a nostalgic souvenir, and remained active in body and mind, gardening and studying local history until he died, suddenly and peacefully in his armchair at home in Ross-on-Wye. He had been a lonely man since the death of his wife Pat after 58 years of happy marriage.

**Sally Holloway**  
High-profile trade union leaders who came late in life to membership of the House of Commons often come to grief, writes Tam Dalyell. They trip over the procedures, are irri-

tated by the ways of the House, and fail to be as effective as they might otherwise have been. John Horner belied such a generalisation. If he was denied the ministerial office many of his contemporaries thought he deserved it was because Harold Wilson was too nervous of "reds under the bed" to give office to such a prominent ex-Communist.

In fact, Horner evaporated the idea that he was a superficial Communist firebrand in his maiden speech by making the charming joke, "Twenty years ago, Comrade Donaldson," it was the Ways and Means debate when Commander C.E.M. Donaldson, the bulky Canadian Member for Roxburgh, Selkirk and Peebles, was in the chair of the Finance Bill debate. The rest of the speech revealed Horner as the constructive thinker he was.

I remember vividly Horner's being called immediately after the then Leader of the Opposition Sir Alec Douglas-Home had sat down to give the first reaction to James Callaghan's first Budget as Chancellor of the Exchequer on 11 November 1964. Presciently Horner said: "I think the committee realises that, whatever our decisions, we cannot legislate for wages in this country. We cannot, with legislation, cut across the whole fabric of the collective bargaining machinery that has been built up over the last half-century. We can, of course, disrupt it, but we disrupt it at our peril. We live in a democratic society and we must accept that any incomes policy, if it is to survive, must stem from and must develop within the framework of the collective process of the present-day industrial relationships."

It was trade disputes, prices and incomes and the reaction to the Royal Commission on trade unions and employers ("The Donovan Committee") that Horner's period in the House of Commons was about.

Shortly after losing his seat he told me with a sigh and a twinkle that it would be one of the ifs of history if that old "gnarled" intolerant right-winger, Ray Gunter had been allowed to stay in the Ministry of Employment, doing what he knew best, and that Barbara Castle, the brilliant, charming left-wing friend put in his place, had been kept well away from industrial relations: then the history of the first Wilson government would have been totally different. Had ministers understood that the Gillingham strike in the motor industry was not a cause for panic, that the motor industry of the West Midlands would not have been brought to its knees, then Horner believed the Government with Gunter in charge would have legislated straight down the line on the Donovan Committee recommendations, agreed by the General Council of the TUC.

It was not for want of trying. Anyone who looks at Horner's speeches on the second reading of the Prices and Incomes Bill on 13 June 1967 or of 16 July 1968 on the Donovan Committee will see that this highly understanding gentleman had deep insights which some of the Oxford Firsts leading the party lacked. It was a great pity that Horner himself was not brought into the leadership of the Government at the time. Had he been there I believe that the relationship between party and parliamentary party would have been such that victory in 1970 would have been possible.

**John Horner: trades union activist and politician: born 5 November 1911; General Secretary, Fire Brigades Union 1939-64; MP (Labour) for Oldbury and Halesowen 1964-70; married 1936 Patricia Palmer (died 1994; two daughters); died Ross-on-Wye, Herefordshire 11 February 1997.**



Portrait by Coxon of Jacob Epstein, oil on canvas, 1948

Photograph: Michael Parkin Gallery

## Raymond Coxon

Raymond Coxon was a painter for over 75 years. He produced diverse and stimulating work, from portraits to landscapes and even church murals, although his loyalty to his own direction sometimes left him apart from fashionable development. None the less, his paintings have been bought by many distinguished collectors including Maynard Keynes, Sir Michael Sadler, Henry Lamb and Sir Edward Marsh; they also hang in numerous national and provincial collections.

Born in 1896 at Hanley, Stoke-on-Trent, he was the second child of five girls and two boys born to James and Georgina Coxon, who had her first home some art training. Educated locally at Leek High School, Raymond impressed his teachers with his drawing capability. While serving with the Cavalry in Palestine in the First World War, he took a tiny box of watercolours with him, and whenever he had an opportunity would send miniature-sized work home to his mother.

After the war he studied at Leeds College of Art from 1919 to 1921, where he met and became great friends with Henry Moore. In 1922 Coxon and Moore made their first visit to France and, thanks to an introduction from John Rothenstein, met Maillol and Bonnard. Later they were best men



Coxon: resilient

Photograph: Harry Diamond

at each other's weddings. Coxon married Edna Ginesi, a fellow student at Leeds, who was Leeds-born but of Italian descent; the marriage was to last over 70 years.

After Leeds, Coxon went on to study at the Royal College of Art in London (1921-25), under Sir William Rothenstein (John's father). He always remembered Rothenstein's kindness to him and other students both at the college and at the Rothenstein home in Hampstead. Coxon's diploma work was a mural after Masaccio's *Expulsion of Adam and Eve in the Garden of Eden*, in the Brancacci Chapel in Florence.

As a student, he had little money, but a terrific zest for living, putting drawing-pins in his shoes to spare him the cost of a cobbler and saving the threepenny tram fare by walking from Hammersmith to the Café Royal. The threepenny saved enabled him to drink coffee all day and talk to "Gin".

His future wife - and other artists. Coxon used to say to me that this was "pure delight - we could mix with people there, famous or not, feeling that we were treated equally and not like poor relations; devoid of class distinction, it seemed that everybody had some quality."

In 1927 Raymond and Gin Coxon with Henry Moore and Leon Underwood formed the short-lived British Independent Society, and Coxon's work was illustrated in "Young British Drawing", in *Drawing and Design*. His first one-man exhibition took place the following year with the London Artists Association at the Cooling Galleries. He became a member of the London Group in 1931 and some of his paintings were bought by the Contemporary Art Society.

Cézanne was probably the most important influence on Coxon's early work and his landscapes of Yorkshire's "green velvet hills" contrasted

with the remoteness and majesty of North Wales, where he also painted, particularly Cwm Pennant in Brecon. In 1947, Raymond and Gin made their first visit to the United States and were inspired by the power of the canyon and the sense of "nature in the raw".

Back in London, living and working in Hammersmith, Coxon painted fellow artists and friends including a sensitive portrait of Henry Moore in 1924. Other notable portraits of friends in the Thirties and Forties were of Ceri Richards, Vivian Pitchforth and John Piper.

In 1936 Coxon had a one-man show at the Leicester Galleries and with Gin, Henry and Brian Moore visited Cadagates in Spain as the civil war broke out. In 1940-45 he was an official war artist, attached to the Navy; he held further one-man shows at the Leicester Galleries in 1940, 1947 and 1960.

I first met Raymond and Gin Coxon over 30 years ago - when they had both already been painting for more than 40 years. Their eyes always gave out a twinkle that was appreciative of a life that cannot have always been easy. They boasted a resilience and bluntness that epitomises the friendliness of the North, or "Yorkshire" as Sir John Rothenstein would refer to the county.

Gin's influence on Raymond was as strong as his love; a good painter herself, she was always prepared to push him forward to his advantage.

In 1985 he exhibited at the Michael Parkin Gallery, London, and was finally given a retrospective in 1987 at the City Art Gallery, Stoke-on-Trent.

**Raymond Coxon, painter and muralist: born Hanley, Staffordshire 18 August 1896; married 1926 Edna Ginesi; died Ross-on-Wye, West Sussex 31 January 1997.**

As possibly the only survivor who knows of this literary episode, I place it in the record - not least because it recalls a

When Nora Beloff and I were at the King Alfred School in the late 1930s, writes Professor J.R. Pole further to the obituary by William Millis, 15 February, the maths teacher had a certain engaging eccentricity which Nora caught in a limerick in the school magazine:

The mathematical master wears  
With pulleys attached at odd places;  
The strain never grows great  
As they self-compensate  
On a complex mechanical basis.

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May I make some corrections to my obituary? writes William Millis. Ms Beloff did not abandon her book on the former Yugoslavia. She finished the text before she died, and the book, *Yugoslavia: the avoidable war*, will be published in spring or summer this year by the New European Press.

Nora Beloff left Paris soon after General de Gaulle returned to power in 1958.

I should have made clear that, in my view, she was at heart a conservative, with a small "c".

**Nora Beloff**  
sense of humour which people did not always attribute to her.

Lord Justice Brooke said that a claim based on breach of statutory duty, if a good one, would with one bound free the plaintiffs from the control mechanisms currently imposed on the claims of "secondary victims" (i.e. those witnessing rather than directly involved in disasters). If the plaintiffs came within the regulation, then it imposed strict liability.

But the mere fact that a breach of a statutory duty caused the plaintiff's injury, on the application of the "but for" test or any similar test, was not sufficient. The plaintiff must fall within the class of persons the statute was intended to protect.

**Paul Magrath, Barrister**

## Qin Jiwei

For much of his life, Qin Jiwei was a close ally of China's elder statesman Deng Xiaoping. He played an important role in the implementation of Deng's wish to turn the faction-ridden, ill-equipped and demoralised military that emerged from the turmoil of the Cultural Revolution into a modernised, trimmed down and professional force. In 1989, when Deng decided to use the army to suppress the Tiananmen Square protests, questions arose about the degree of Qin's support for his mentor's strategy, but in public at least he voiced full support for the crackdown.

Qin's death marks the severance of yet another link between China's current leadership and the old generation of revolutionaries who took part in the epic Long March of 1934 and 1935. This generation, including Deng and Mao Tse-tung, owed much of their authority to their role in that famous episode in Chinese history when Communist troops broke through an encirclement of nationalist forces and marched some 7,000 miles to a new sanctuary in Yenan.

During the civil war of the 1940s, Qin served under Deng in the Second Field Army. Their close military relationship was tacitly acknowledged in a documentary series about the elder statesman broadcast on Chinese state-run television in January. The series included footage of Deng accompanied by Qin Jiwei, then Defence Minister, meeting Second Field Army veterans in November 1989.

In the early 1950s, Qin served as a top commander in the Korean War against the US-led forces of the United Nations. He was promoted to lieutenant-general in 1955, but his ties with Deng proved his undoing during the Cultural Revolution of the 1960s and 1970s, when Qin and others associated with Deng were purged by Mao and his radical allies.

After Deng's emergence in 1978 as China's paramount leader, Qin achieved rapid promotion. He became commander of the Peking Military Region, a post of key military importance because of its responsibility for the protection of the capital and its frontline role in China's cold war with the Soviet Union. In 1987, Qin joined the Politburo

and the following year he was named as defence minister, in which role he served during the pro-democracy demonstrations of 1989.

During the Tiananmen Square protests, some Western diplomats in Peking speculated that Qin was opposed to the use of force to crush the demonstrations. Although Qin had relinquished his command of the Peking Military Region by then, the apparent reluctance of at least some elements of the Peking command to impose martial law fuelled rumours that Qin was distancing himself from Deng. The Peking Military Region took longer than the other six military commands to express explicit support for the crackdown and Qin adopted a relatively low profile during and after the military operation.

But the wild speculation among Western analysts about impending civil war after the bloodshed in Peking underscored how little is known about the workings of the Chinese military. The restriction of contacts between Western armies and the Chinese military after Tiananmen made access to information all the more difficult. It is thus impossible to do more than guess at Qin's real attitude. Statements attributed to him by the official Chinese media during and after the crackdown suggest nothing but wholehearted support for the military action.

On 1 August 1989, Qin used the anniversary of the founding of the Communist party to praise the role of the military. He described the decision to send in the troops as "correct". He also noted what he called the "important role" played by Deng in the operation. He said that thanks to the support of the people, the soldiers had "fulfilled the glorious tasks entrusted to them by the party and the people, and defended the capital and the socialist people's republic in a remarkable manner".

Qin stepped down from the Politburo in 1992 as part of a reshuffle which brought mostly young leaders to the fore. When he died, his only official role was as deputy chairman of the National People's Congress, the Communist Party-controlled parliament. His death is unlikely to have any significant impact on the balance of power in Peking. It remains a matter of considerable doubt, however, whether the man named as Deng's successor, the president and party leader Jiang Zemin, would have the ability and authority to prevent open conflict within the military should another Tiananmen ever occur.

**Qin Jiwei, army officer: born Hongan, China 1914; Commander, Peking Military Region, People's Liberation Army 1977-87; member, Politburo 13th Central Committee, Chinese Communist Party 1987-92; Minister of National Defence 1988-92; died Peking 2 February 1997.**

**James Miles**  
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**Paul Magrath, Barrister**

## Births, Marriages &amp; Deaths

## DEATHS

**HAYWARD:** Joyce Helena, on 17 February, at home, beloved mother of Anthony and Victoria, and her grandchildren, Nicholas, Jessica, Nina, Simon, Emma and Jeremy. Cremation will be private and memorial service will be arranged. Donations, if desired, to Furness History Society (Ingram Fund, c/o Kewton's, 39 Markon Road, London W15 6LA).

**POLLOCK:** Philip, passed away peacefully in hospital, on Saturday 15 February, after a long illness, borne with great courage and fortitude. Much loved husband of the late Venetia Pollock and dear beloved father of Francesca, Adam and Matthew. There will be a service at St Michael and St George, Commonwealth Avenue, London W12, on Friday 22 February, at 11am, and afterwards at Walker Court, Flowers, to J.H. Kennedy, 40 Marlborough Road, London W8 6LA. Telephone 01-7493 0757. There will be a memorial service at Baulkham Grove, on 22 February.

Announcements for Births, Marriages, Deaths, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries, In Memoriam should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL. Telephone 0171-293 2812 or faxed to 0171-293 2810, and are charged at 65p (incl VAT extra). OTHER Gazette announcements must be submitted in writing (or faxed) and are charged at £10 a line. VAT extra. They should be accompanied by a day-time telephone number.

## Birthdays

Mr Rob Andrew, rugby player, 34; Mr M.J. Argent, Chief Constable, North Wales, 52; Mr Michael Buerck, television newsreader, 51; Miss Helen Gurley Brown, author and editor, 75; Miss Phyllis Calvert, actress, 82; Mr José María Canizares, golfer, 58; Miss Jean E. Cooke, painter, 78; Miss Sinead Cusack, actress, 46; Mr Roy Dean, former diplomat, 78; Mr Philip DeFechas, cricketer, 31; Mr Len Deighton, novelist, 68; Lt-Gen Sir Donald Dunstan, former Governor of South Australia, 74; Professor Edward Edwards, former Vice-Chancellor, Brunel University, 83; Mr Cyril English, president, Nationwide Housing Trust, 74; Mr Miles Forman, film director, 65; Sir Charles Froward, a former judge of the Courts of Appeal of Jersey and Guernsey and Bailiff of Guernsey, 75; Sir Eric Gairy, former prime minister of Grenada, 75; Mr Graeme Garden, actor and scriptwriter, 54; Miss Teresa Hilton, former Editor, *Sunday Mirror*, 46; Dr James Houston, Emeritus Physician, Guy's Hospital, 80; Miss Patsy Leitch, cookery writer and restaurateur, 57; Mr Peter Luff MP, 42; Professor William McKane, Hebrew and Oriental language scholar, 76; Sir Arthur Norman, former chairman of De La Rue, 81; Mr Jack Palanco, actor, 77; Mr Bobbie Robinson, head coach, Barcelona Football Club, Spain, 64; Miss Greta Scacchi, actress, 37; Miss Cyril Shepherd, actress, 47; Mr Ned Sherrin, broadcaster, 66; Mr Richard Thomas, High Commissioner to Jamaica, 58; Mr John Travolta, actor, 43; Sir Max Williams, solicitor and former President, the Law Society, 71.

**Anniversaries**

**Births:** Mary L. Queen of England, 15th; George Peabody, industrialist and philanthropist, 175th; André Breton, Surrealist poet and art critic, 188th; Deshaes Fin (Angelo) (Giovanni de Fiesole), painter, 143rd; Cornelius Heinrich Agrippa (von Nettesheim), scholar and astrologer, 153rd; Martin Luther, Protestant reformer, 1546th; James John Corbett ("Gentleman Jim") pugilist, 193rd; Jacob Robert Oppenheimer, physicist, 1967th. On this day: *Pittman's Progress*, by John Bunyan, was published, 1678th; the Italian Parliament was opened, 186th; the first Congress of the Confederate States met in Richmond, Virginia, 1862th; the Gambia became an independent state within the Commonwealth, 1965th; today is the Feast Day of St Angilbert, St Colman of Lindisfarne, St Flaviano of Constantinople, St Heliodorus of Toledo, St Leo and Pargoryius, St Simeon of Jerusalem and St Theodosius.

**Lectures**

National Gallery: Colin Wiggins, "Food Farewell (Pills): Picasso, *Fruit Dish, Bottle and Glass*", 11pm.

British Museum: Edith Hall, "Greek Drama on the London Stage in the 18th and 19th Centuries", 1.15pm.

National Portrait Gallery: Judith Prendergast, "Cardinal Newman", 1.15pm.

Exeter University: John Monks, "Trade Unionism in the 21st Century", 5.15pm.

Gresham College: Bernard's Inn Hall, London EC1: Professor Peter Hennessy, "Premiership (ii): The Sea-Chancellor, James Callaghan 1976-79", 1pm.

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**RIBA Architecture Centre, London**

W1: Stephen Hodder, "Centenary Building, University of Salford", 6.30pm.

## Dinners

**Foundation for Science and Technology**  
Lord Butterworth was in the chair at a lecture and dinner discussion of the Foundation for Science and Technology held yesterday evening at the Royal Society, London SW1. Lord Weir, Mr L.M. Baines and Professor Richard Sackling spoke on "After the Woolf Report: generating change with information technology".

## Royal Over-Seas League

Mr Terry White was the guest speaker at a meeting of the Royal Overseas League's Discussion Circle held yesterday evening at Over-Seas House, St James's, London SW1. His subject was "Footfalls in Memory".

## ROYAL ENGAGEMENTS

The Queen holds an investiture at Buckingham Palace. The Duke of Edinburgh visits North and West London. The Queen visits the John Innes School, Norwich. Middlesex: The Princess Royal, Princess Princes, Royal Trust for Culture, West Greenwich Community Centre, London SE18; as Patron, serves the National Disabled and Bursary Association, visits a shop at Canbury, London E26, and as Patron, National Association of Citizens' Advice Bureaux, visits Epsom Citizens' Advice Bureau, London SE8.

## Changing of the Guard

The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 10am. The Queen's Life Guard mounts the Queen's Guard, at Buckingham Palace, 11.30am. Next preceded by the Grenadier Guards.

## Barrister was right not to pursue weak claim

## LAW REPORT

McFarlane v Wilkinson and another; Regan v EE Caledonia Ltd; Court of Appeal (Lord Justice Saville, Lord Justice Hinchinson, Lord Justice Brooke) 5 February 1997

A barrister's failure to plead allegations which had a realistic prospect of success at trial, but which might influence the opposing party's approach to the offer of settlement, could not be categorised as negligent.

The Court of Appeal allowed an appeal by Nigel Wilkinson QC and Anna Guggenheim, of counsel, against the decision of Mr Justice Rix on 26 July 1995 not to strike out claims against them of professional negligence in respect of their conduct of an action by the plaintiff, Francis McFarlane, against EE Caledonia Ltd.

The court at the same time dismissed an appeal by another plaintiff, William Regan, against a preliminary ruling by Mr Justice Poppelwell, on 1 December 1995, that Mr Regan was not owed any relevant common law or statutory duty by the defendants, EE Caledonia Ltd.

Both actions arose out of the Piper Alpha oilrig disaster in

July 1988, in which 164 men died and many suffered serious injuries in a series of explosions on the rig. Both plaintiffs claimed to have suffered psychiatric injury as a result of witnessing the disaster at close hand. They were employed as painters on the rig during the day and at night were housed on the MV *Tharos*, which was lying about 550 metres away.

Miss Guggenheim and Mr Wilkinson were instructed to act for Mr McFarlane. His claim against Caledonia, pleaded only in negligence, succeeded at first instance but was rejected by the Court of Appeal ([1994] 2 All ER 1). Mr McFarlane subsequently sued the barristers for negligence in failing also to plead a claim based on breach of statutory duty. The duty relied on was that contained in reg 32 of the Offshore Installations (Operation Safety Health and Welfare) Regulations 1976 (SI 1019), which provided:

(3) It shall be the duty of every person while on or near an offshore installation (a) not to do anything likely to endanger the safety or health of himself or other persons on or near the installation or to render unsafe any equipment used on or near it.

**Rupert Jackson QC and Roger Stewart (Remolds Porter Chamberlain)** for the barristers; Benet Hymer QC and Paul Longson (Evill & Coleman) for Mr McFarlane; Christopher Gardner QC and Jonathan Waite (Levinson Gwy) for Mr Regan; Adrian Hamilton QC and Alistair Schaff (Ince & Co) for Caledonia.

Lord



# Time for spring cleaning in Labour's attic

**S**nouts have been in troughs along the banks of the River Don, and last night, in the wake of our disclosures, the burghers of Doncaster met to repair the damage to their reputation. But isn't it for the council taxpayers in the metropolitan district to sort out themselves – demonstrations outside the town hall, trenchant letters to the local press, even a campaign to vote the miscreants out of office?

No. There are two reasons why what has been happening in Doncaster deserves national attention. One has to do with the historical dynamics of the Labour Party; the other with the operation and future of local democracy – or lack of it. The very fact that it has taken a district auditor, appointed by the Audit Commission, to uncover the trips and the lunches and the directors' box at Doncaster races shows how fallible are local corrective mechanisms in the absence of a tough and determined political opposition, of which in today's council chambers there are precious few.

When Labour's opponents cry that the party has no experience of power, they are ignoring the fact that for decades large tracts of England, Scotland and Wales have known nothing but Labour local government. But, like the mentally handicapped relative kept in an attic in Gothic yarns, Labour's exercise of power locally is carefully hidden from view.

It is, after all, a chequered history.

Some Labour councils are relatively efficient; some are still recovering from the excesses of ideology and incompetence applied to them during the New Left's years in power. Doncaster's recent behaviour is old Labour behaviour, and fits all too comfortably in the middle of the Audit Commission's indices of performance. Its councillors long ago stopped having to worry about securing re-election by striving to improve public services; why bother, when there are afternoons on the racetrack and trips abroad?

The Doncaster story is about more than badly filed letters in Tony Blair's office and pusillanimous regional party officials ignoring warnings. It is a reminder that new Labour is, still, a coalition: it is not all flash young men and women in the South-east who regularly dine at expensive restaurants. Labour may say that sleaze is a term that has entered the contemporary vocabulary thanks to Neil Hamilton and other Tory members of Parliament. But Labour – as the party of government in the towns, as well as the would-be replacement administration nationally – has set itself the task of cleansing the stables. It won't do if there is hue and cry at Westminster while in Newcastle upon Tyne or Hackney or Oldham there is even the faintest suspicion. For Labour councillors, Caesar's wife is the only role model.



ONE CANADA SQUARE CANARY WHARF LONDON E14 6DL  
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Yet financial corruption remains very rare in British local government. Many men and women give unstintingly of their time and energy in the cause of local services and representative government. A lot of that has to do with a Tory minister: Neville Chamberlain, who in 1929 sharpened the audit regime and placed heavy duties on councillors on pain of surcharge and disqualification.

It is a fair observation, also, that English local government may be as graft-free as it is because its elected members are relatively powerless. Follow the money, said Deep Throat in *All the*

*President's Men*. If we do, it is clear that there are few areas in which individual councillors have the discretion to make decisions on the basis of what profit can be made. Most of these are in the area of planning and land use; and this is indeed the territory where big financial scandals on the scale of the Poulson affair have occurred, far removed from the Doncaster misdemeanours. The idea that Labour councillors are uniquely tempted is rot: why have estate agents traditionally used their local Conservative associations as bridges to the chairmanship of the planning committee?

A cynic might say that if every town hall had its equivalent of Doncaster racetrack where councillors could lunch free 20 times a year, people's interest in local self-government would enjoy the highest of renaissances. There are better ways forward. Whichever party or parties take power at the election, they confront a common task: the re-establishment of government in popular affection, whatever the level of taxing and spending, whatever the precise array of services it offers.

Especially for Labour and the Liberal Democrats, local government is a place to begin. There is a growing consensus on what functions councils should have, built around those services (which exclude education) that can and ought to be different in different places. There is agreement, too, on the need for new forms of council organisation – for example, elected executive mayors and reduced numbers of backbench members.

It could be that in Doncaster or Rotherham or Knowsley or Coventry Labour majorities would be returned whatever the polling system; but it could not but be beneficial to local self-government if electors had the chance to vote proportionately, and allow new voices – even new parties – into the council chamber to counterbalance their mainstream choice.

Local government has too few friends, and Doncaster will serve as

grist to the mill of those who would further reduce the ambit of local choice. They are wrong. The lesson of Doncaster is that if councillors were busier and exercised more power, were answerable more directly to an engaged local electorate, they would find much less time for freebies and afternoons at the races.

## Destined to simmer

The American Association for the Advancement of Science is an annual orgy of knowledge. Some among its cornucopia of findings are as big as the universe, others microscopic in scale (and significance, too). It is a bad place to be for those who resist the new determinism. Among papers published today there is one on taste receptors which is bound to become a new excuse for children of all ages who will not eat up their veg – dislike of broccoli is in the genes. Research suggests marked differences in people's capacity to recognise flavours and so react to different tastes. In future the little darlings will not just say no to their parents' cooking but will blame them for passing on to them the taste buds that allegedly make it unpalatable.

## LETTERS TO THE EDITOR

### Albania's leap forward since communism

Sir: Far from being a "nasty mess" or "gangster state", as you call it (leading article, 15 February), Albania is one of the very few ex-Eastern Bloc countries where the vast majority of citizens have seen significant improvement in their everyday lives since the end of communism. This can hardly be said of Hungary, let alone Bulgaria or Russia, none of which are subject to such severe censure.

Unlike these places, the private sector in Albania is thriving – thanks partly to a genuine commitment on the part of the government to policies of low taxation and low inflation. These have created the conditions for one of the fastest-growing economies in Europe.

Can anybody who has actually visited the country in the last two to three years, and who remembers the medieval misery that marked it before, not be aware of this?

Albanians themselves are keenly aware of this: precisely why so many are now incensed at the prospect of sliding back into poverty. It has to be pointed out, however, that their anger with President Sali Berisha has less to do with his *laissez-faire* indulgence of boom-bust pyramid schemes, than with his sensible decision to suspend their operations and begin trying to compensate investors from their frozen assets.

Similar schemes collapsed in Romania and Russia without any provision at all for those who had lost out, and yet neither witnessed violent anti-government demonstrations akin to those in Albania.

The difference may lie in the fact that most of the Albanian opposition parties, being closely associated with the hated Stalinist regime of Enver Hoxha and his mildly reformist successors, have little chance of taking office through the ballot-box. This was brought home to them by last year's general and local elections, which saw sweeping victories for Berisha's Democratic Party.

Only one international organisation – the OSCE-ODIHR – raised any serious protest about the conduct of these polls, and a number of the Western observers accredited by this body were later shown to have had unduly close connections to the losing Socialist Party.

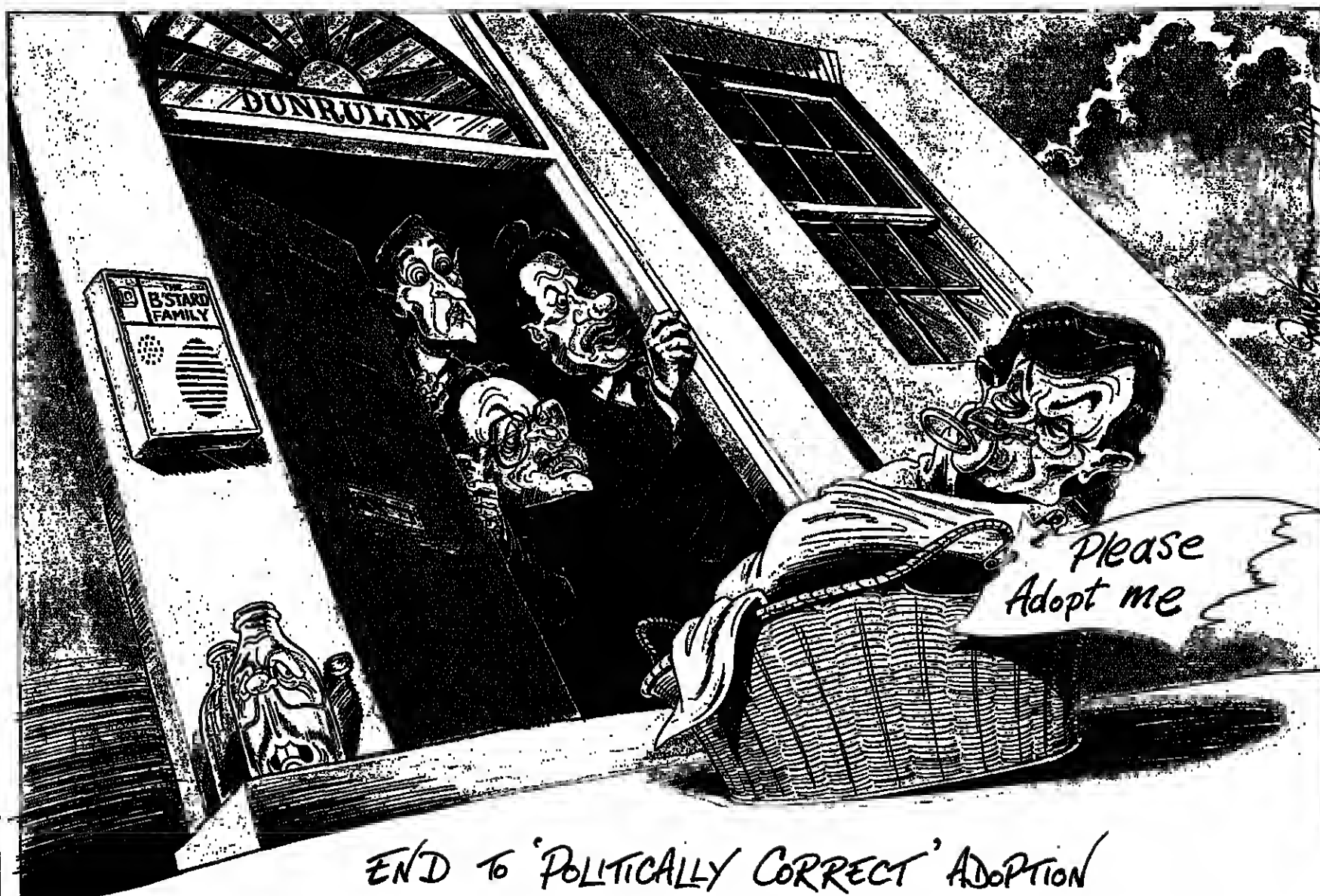
Isn't it conceivable that former secret policemen and Communist Party officials are now exploiting the distress caused by the failure of the pyramid schemes (many of which they founded in the first place), to propel themselves back into power without the inconvenience of elections?

JOHNATHAN SUNLEY  
London SW1

### True aims of education

Sir: In your leading article on 12 February you celebrate the current consensus of politicians and parents on education. I submit that it is time this "consensus" was challenged.

Children do not exist to fuel economic growth, nor even to satisfy parents' ambitions for them. They exist in their own right as persons. Of course learning – to be competent and to contribute to the community's well-being – is a vital element in the growth of a person, but it is only one side of



### Tanker safety lessons sought

Sir: I cannot accept the assertion that the safety of tanker design has been ignored ("Supertankers heading for the rocks", Letters, 12 February). The International Maritime Organisation has a constant programme to develop and maintain regulations on tanker design and the Marine Safety Agency of my department plays an active role in this work. Tanker design and construction were also considered by Lord Donaldson's wide-ranging inquiry into safety at sea and the prevention of pollution from merchant shipping.

It is not true to say that the report of the investigation by the Marine Accident Investigation Branch (MAIB), into the *Sea Empress* will be "hushed up". The MAIB, established by Parliament as an independent, investigating authority, has an excellent reputation for thorough, impartial and authoritative investigations.

The purpose of the MAIB's investigation is to establish the causes and circumstances of the tanker's grounding, to investigate the subsequent salvage operations and to make recommendations where appropriate. The MAIB report will be published once the consultation process, required by law, has been completed.

Unlike your correspondents, I have no wish to pre-empt this process of investigation by speculation. The Government's only interest is to ensure that the facts are established and all the lessons learnt.  
Viscount GOSCHEN  
Minister for Aviation and Shipping  
Department of Transport  
London SW1

### 'Hamlet' snow not so flaky

Sir: Adam Mars-Jones ("A winter's tale?", 13 February) pokes fun at several aspects of Kenneth Branagh's film of *Hamlet*, including the way Branagh makes Hamlet senior take a nap in the snow.

But the text supports Branagh. In the soliloquy "Oh, that this too too solid flesh..." Hamlet chides his mother for marrying his uncle "within a month" of her first husband's death, going on to make clear he was talking about February – "A little month". Ergo, the old king was done in at the end of January.

Mind you, his fondness for sleeping outdoors in the Danish winter makes one wonder whether Hamlet senior might not have been a few kroner short of a smorgasbord and why anybody should have given any credence to his ghost. But that's literature for you.  
CHRISTOPHER SLADEN  
London W5

### One of the ruins that Henry ...

Sir: In your admirable photograph of Holy Island ("Church seeks future in glorious past", 14 February) it is ironic that Lindisfarne Castle is in the foreground. Henry VIII built it as a defensive gun battery against the Scots and French by ruining the Priory – way to the left in the background of your picture. Nevertheless, visitors may still experience "still dews of quietness" on the island treasured by Cuthbert and Aidan long before Augustine of Canterbury landed in Kent.  
IAN MACKENZIE  
Wokingham, Berkshire

the story. Education conceived entirely in instrumental terms, whether for the honing of a fine tool in the economy, or for furthering personal ambition to "get on", is out of balance.

The young have other needs as well: to explore a fascinating world beyond themselves; to develop a critical mind; to discover who they are through constructive and stable relationships; to form long-term purposes and practise the discipline needed to pursue them.

From the nursery to the student stage, all real teachers measure the progress of a person by subtle standards than those of official tests.

MARJORIE REEVES  
Hon Fellow  
St Anne's College, Oxford

### Cyclists' voices better than bells

Sir: Ernie Sears (letter, 14 February) is wrong to state that bicycle bells are "required by law". The voice is quite adequate for providing the obligatory "audible warning of approach", with the advantage of leaving both hands free for braking.

More importantly, it can also be varied to convey the appropriate degree of urgency. A polite "Bike behind!" or "Excuse me" will announce my presence to horse-riders or pedestrians on minor roads or shared paths; where a more forceful message is needed, jawwalkers or inattentive motorists take a bellowed "Whoosh!" or "Oi!" much more seriously than a tinkling bell.

TOM BARRANCE  
Penarth, Wales

### 'Mail' allegations avoid contempt

Sir: Not everyone will agree with the statement by the former Master of the Rolls, Lord Donaldson, that the material published by the *Daily Mail* about the Stephen Lawrence murder may represent a gross contempt of court ("Contempt threat to 'Daily Mail'", 17 February).

There have already been two trials (however inconclusive) and a coroner's inquest, and there is no indication that another judicial process is contemplated. That being the case, I would respectfully submit that to require complete silence on the issue would interfere with the right of free speech.

It is an altogether different matter when charges have been made and a trial is contemplated. It would then be wrong to deal with the issues in the media and hold a substitute trial. This hallowed principle of English law has always been strictly applied except in one notable case – that of the two Libyans accused by Britain and the United States of carrying out in 1988 the sabotage of PanAm Flight 103 over Lockerbie.

I have seen advertisements sponsored by the American State Department referring to the two Libyans (al-Amin Khalifa Fhimah and Abd al-Basit Ali al-Migrahi) as "terrorists" and "criminals" and offering \$4m (recently increased) for information leading to their arrest. The advertisements – some of which appeared in Arabic

journals published in London – were full-page with pictures of the two Libyans superimposed on a suitcase overflowing with US banknotes. There have also been several books and programmes in the British media holding the accused guilty.

If public opinion polls were to be conducted in Britain it would be very difficult to find "twelve good men (or women) and true" whose minds have not been polluted by what they read or heard or saw about the Libyans and Lockerbie, and who would qualify to serve on a jury trying them here.

If an impartial jury cannot be found, the only fair way of dealing with this matter is to hold the trial in an impartial country.  
MUSA MAZZAWI  
Reading, Berkshire  
The author was Professor of Law and Dean of the School of Law at the Polytechnic of Central London, now the University of Westminster

Sir: Lawyers are apparently angered by the *Daily Mail*'s action because "it makes a mockery of the legal system" and "could lead to injustice" ("Lawyers warn that 'Mail' is judge and jury over Lawrence", 15 February).

Surely lawyers are putting the cart before the horse. The legal system has made a mockery of itself and an injustice has already occurred. Were this not so, there would have been neither opportunity nor need for the *Mail* to act as it has.  
FRANCES FIELD  
London NW11

### Hospital waiting times lack logic

Sir: Polly Toynbee has aired an important issue (12 February). She points out that one of the dilemmas currently facing the Lambeth, Southwark and Lewisham Health Authority is that the waiting time for some cardiac procedures at some hospitals within their area is extremely long. The authority is apparently trying to decide whether they should warn patients of the anticipated waits for life-saving procedures. However, here at King's College Hospital, which is also within the health authority's area, the waiting times for operations such as coronary angiography, angioplasty and bypass grafts are amongst the shortest in the country.

Logic would dictate that if different hospitals within the same health authority area have amongst the longest and shortest waiting times for life-saving procedures, then the health authority should arrange for transfer of patients (and adjustment of contracts) from the long waiting list to the short.

Because of financial constraints, Lambeth, Southwark and Lewisham Health Authority's response to this problem is to propose reducing cardiology contracts (and therefore operations) at King's College Hospital. Therefore, waiting times here will lengthen and patients will face the same risks and distress as they do elsewhere. King's patients enjoy high-quality cardiac services

and waiting times which are comparable with those in most other western countries. The current financial crisis faced by the health authority potentially means that this model of appropriate cardiac care is to be eroded to the lowest common denominator.  
Dr MARK J MONAGHAN  
Care Group Director for Cardiology and Cardiothoracic Services  
Dr DAVID JEWITT  
Consultant Cardiologist and Executive Medical Director  
King's College Hospital  
London SE5

### Rowing show

Sir: Jonathan Glancey is quite right to describe David Chipperfield's building for the River and Rowing Museum at Henley as "a minor masterpiece" ("Oar house", 14 February).

He is quite wrong to suggest that the architect should automatically be given the job of creating the interior displays in order to "put the finishing touches" to his designs. A major new national exhibition is much more than the elegant appendage to a building.

A highly experienced team has been appointed by the trustees to create the museum's interpretative displays. As one of its members, we will be balancing the demands of the (magnificent) structure with the requirements of the collection and the legitimate expectations of the paying public, who must be persuaded to visit and revisit the museum if it is to be financially viable.

TIM GARDOM  
Furner  
Words and Ideas  
Abingdon, Oxfordshire

Post letters to Letters to the Editor, and include a daytime telephone number.  
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## analysis



The successful new face of British invention? Trevor Baylis (above) in his workshop and Bill Harding (right), helping inventors promote themselves



## It's all make-believe

The British are famed for their powers of invention, but rarely translate this into commercial success. Peter Popham asks if a new school for inventors will help

The late afternoon sun steals into a classroom in the bowels of Richmond upon Thames College, near Twickenham Rugby Union ground, a shabby, exhausted-looking room dotted with old television sets which have been eviscerated and their innards turned into pieces of sculpture for which the sets become frames. "Nothing to do with us," growls Bill Harding as he takes his seat at the front of the room and introduces the theme for today's lesson: an autopsy on his students' first lamentable, laughable shots at Presentation.

This is Britain's first ever academic course for inventors, and if it is true that mighty oaks from little acorns grow, this is a pretty diminutive acorn. When word about an inventors' course got around, says Harding, a successful inventor himself, "the reaction was fantastic, we were inundated with inquiries from all over the country". But one's first impression of the students selected for this first course is not brilliant.

Most are in their thirties; two are women, two are black, most are thin, shy, intense, taciturn; an aura of quiet desperation hangs about several of them. Fortunately, Bill Harding, the teacher, is big, bluff, bearded and chuckling, or one might suppose one had blundered into a branch meeting of Gamblers Anonymous.

That idea is not in fact so far-fetched. Felicity has developed what appears to be an electronic method of palm reading. Her neighbour has invented an improved "hand applicator" for dispensing glue or cake icing. Manfred confesses that he is working on 48 different projects, "though I realise it's important to focus on one thing at a time". What about you, I asked a student called Kishore. "I started off inventing nuclear fusion technology - I still haven't got around to talking to somebody professionally, but it's a device that overcomes some of the four major problems with plasma; using primary and secondary induction of electricity, it's a way of getting from A to B, reducing

your travel costs..." In their different ways, all the students are gamblers, taking a mammoth, life-sized punt on their own genius. The atmosphere is thick with anxiety and yearning.

Bill Harding is not here to teach these inventors how to invent, but what to do next: how to protect (and how not to protect) - taking out expensive patents across the world may be quite unnecessary. How to find a buyer. And today, how to present: how to take this gizmo or concept or brainstorm or whatever it is and put it over in a way that communicates some of your own excitement and conviction to your audience. Last week all the students stood up at the front of the class in front of the video camera and sold. Today we watch the video played back, while Bill tries to hold back his guffaws long enough to explain what they are doing wrong.

Of the five we watch, none are any good at all. They cling to their notes like a comforter. They mutter, darting hostile glances at the audience. They apologise. They tell the cus-

tomers to take it or leave it, and that they might be better off using a rival product.

"I'm not a marketer," declares the first victim, when the laughter has subsided.

"You might be a closet marketer," rejoins Bill. "Don't write yourself off."

"My strength is I can think and make things with my hands - I think with my hands. I've made things since the age of eight..."

The band-applauder man grinds through his presentation in a soporific monotone. "You've got to set them on fire with your hand applicator!" chides Bill. "From the moment you first drew breath you were selling. The first thing you sold was your vulnerability. Every time you make a friend you have sold yourself..."

For serendipitous reasons, British inventors are suddenly at an interesting historical moment. The old refrain that accompanies all talk around this subject remains true and inescapable: with our individualism we are, as we have been for centuries, peculiarly gifted at invention; but with our financial short-termism and our apathy about manufacturing, we are less and less willing or able to exploit what our inventors conceive. So all the good stuff goes abroad to Tokyo, Taiwan, Seoul, those Valhallas of enterprise and opportunity.

That is the old tune, but suddenly it's being played over with a more urgent lilt. A new culture hero is born: one James Dyson, founder and boss of Dyson Appliances, inventor of the ballbarrow (a wheelbarrow which runs on a ball), inventor of the see-through, centrifugal, no-bag vacuum cleaner. He is thin and bony and brooding like any of Bill Harding's students, but ensconced now in David Puttnam's beautiful old house in Wiltshire, because after 25 years of designing and dreaming and presenting and paying huge worldwide patent bills, and being given the brush-off and the kiss-off by every big name in industry, he's done what all young inventors dream of doing: cocked a snook at the lot of them, set up on his own account, made a million or two, made them all sit up and take notice.

Dyson is interesting because he shows how the circle can be squared: the brilliant British invention can not only be conceived but also built and perfected in Britain, by the inventor himself, then manufactured here in deepest Wiltshire. On the cusp of the new millennium, Brunel and Stephenson and John Logie Baird walk again. It doesn't have to end in tears and the Far East.

But it can still end in far worse than tears: despite Dyson's success, all the old bogies are still close at hand. Paul Barker, an inventor from Anglesey, has fortunately given up his hunger strike, but he is still in prison, midway through a nine-month sentence which was imposed when he staged a bomb hoax outside the offices

of a company which he believed had cheated him.

Barker had invented two devices to catch thieves attempting to remove goods from supermarkets. He offered the rights for the inventions to a security and engineering firm called Halma plc of Amersham, Bucks. After a year and a payment of £10,000, they returned the rights to him, saying they were unable to exploit the devices commercially. But Barker maintains that during their custody of his inventions they had failed to protect his patents worldwide, with the result that he had lost control of them. The bomb hoax was staged with the wild intention of frightening Halma into admitting their culpability.

Barker is the figure of the solitary, abused British inventor, the other side of the coin to James Dyson. But the coincidence of the success of Dyson and the catastrophe of Barker has pushed inventors into the limelight as never before. There is now a concerted effort to turn them for the first time into an effective body of people.

Trevor Baylis is at the forefront of these initiatives. Baylis was catapulted to fame by his invention of a clockwork radio (which needs no batteries), now being turned out in South Africa by Baygen, the firm he partly owns, in a factory staffed by 160 mostly disabled workers. He lives in an eccentric wooden house he built himself on Eel Pie Island, on the Thames in Twickenham, with a well-equipped workshop in place of a porch, and a large swimming pool where you would expect to find the living room.

In just about every respect Baylis is in the mould of the

whacky inventor. But he sees himself and his type with blinding clarity. And now that he is suddenly a success and a name, he is bending everything he's got to improving the inventors' condition.

In the upstairs den he shares with his girlfriend, several computers, a collection of antique Dinky toys, a Goblin Teasmade and his top-secret new device for alleviating Repetitive Strain Injury, he explains the "dreadful stigma" that attaches to the word "inventor".

"The perceived image of the inventor is that he's got to have a Viennese accent, a pair of broken glasses fixed with tape, a rotating bow tie that squirts water. I've got to be a wimp. I must have an anorak. I must have a garden shed."

But essentially inventors are thought of as mad, and the galling part of it is that this is largely true. Here's why. "If you go down the pub and tell everybody about your invention, you've disclosed it, and it's no longer your invention. So you can't talk to anyone. Who do you talk to? Yourself - first sign of madness."

"Now, as your ego talks and agrees with itself, it gets bigger and bigger until you're insufferable and you go to the front room and start working on your invention and the wife says, 'Here, you're not working on that here, you go out to the shed.'"

"That's the next element: banishment. Banished to the garden shed. You start the power drill up right in the middle of *Coronation Street* so all the neighbours want to know what's going on. So they all start looking through the windows. So you draw the curtains and

bolt the door and you become paranoid. Theo you go to the house one night and there are two letters: one from the bank manager, saying he's going to foreclose - now you've got poverty. The other one's from the wife, she's gone off with her boyfriend Derek. Now you've got rejection, humiliation and anger, because you want to punch Derek down the throat."

Solitude, silence, banishment, abandonment: this is the inventor's sorry lot. One solution, for which Baylis is partly responsible, is the course at Richmond College, which is intended to expand in the next academic year (a show of the students' inventions will be held at the college on Saturday 22 March). Another, for which he hopes to enlist royal support, is the creation of a Royal Academy of Inventors, on a par with other royal societies.

"What you need is an asylum for inventors, a sanctuary. That's what the Academy would be: a place inventors could go instead of going to the asylum."

"I would set an ethical standard in the handling of intellectual property of this kind. The idea of the Academy is to bring inventors together. When they do come together they have an extraordinary camaraderie, they work together, they bounce off each other, they get enthusiastic about each other's inventions."

Unfunded, unrecognised, unorganised, inventors have been among the most atomised groups in our society. Trevor Baylis believes the time is ripe to fight back. "We've got to elevate the status of the lone inventor, because today he does truly stand alone."

Now, here is another question about questionnaires (and may I say that your answers so far have been extremely cool and helpful). This one is about mood changes that may take place halfway through a questionnaire.

This is the question: 3. When you stop and agree to answer a few questions from a person with a clip-board, and you realise after 10 minutes and 20 questions that it is going to take AGES and you wish you had never started, does it occur to you that...

- The clip-board person is going to end up asking you to enrol in a time-share or solar panels scheme? □

- The questions are only a hind and this is going to turn into a TV stunt, and in a moment you are going to be approached by someone dreadful such as Esther Rantzen, Ruby Wax, Jeremy Beadle or Cilla Black? □

- You could just walk off and leave the researcher to make up the rest of the answers? □

- You could start day-dreaming and find yourself thinking, "Blimey, I wonder whatever happened to solar panels! And time-share schemes! And Esther Rantzen! And I wonder, come to that, where *Blind Date* gets all those people... Oh, my God - you don't suppose this person with the clip-board talking to me is on the trolly for *Blind Date* candidates?" □

4. Now, here's another question. No, don't turn the page! (I've only got another few questions, so bear with me. Look, I can't hand this in if the questions are incomplete! Please come back...!)

We will finish the questionnaire some other time. You cannot escape.

## What you need is an asylum for inventors, a sanctuary

## Stop me if you've heard this one before

May I take just a few minutes of your time today? It won't take long. Just a few questions I want to ask you. No, it's not really a questionnaire. It's just a few questions we want to ask selected members of the public to help us with our research.

It won't take long and it will be very helpful. Thank you. We want to find out how people feel about being asked to help with questionnaires.

Here we go then. 1. How do you feel about being asked to do questionnaires? Tick the statement which most nearly approximates to your feeling about questionnaires: - I think questionnaires are a necessary tool for psephology and market research. □

- Questionnaires may well be a necessary tool for psephology and market research, but I am damned if I can see the need for either psephology or market research. □

- I think questionnaires are a God-given chance to

people with low self-esteem to have an excuse to stop people in the street, wave a clip-board about and feel important. □

- I think questionnaires are a God-given chance for the average man or woman in the street like me to look someone with low self-esteem honestly in the eye and give totally false and lying answers to their boring questions. □

- I only feel tempted to co-operate with questionnaires when the poor person with the clip-board has been standing in Baker Street all day without being able to get anyone to stop and answer their questions and now looks suicidally unhappy, and even then I probably wouldn't stop. □

Well, thank you for answering that question. That has been very helpful. Now we are going to ask you a question about the behaviour of people with clip-boards who ask you for your help in answering a few questions.

Here is the question: 2. When you agree to answer a question or two, and the clip-board person says, "Well,



Miles Kingston

thank you for answering that question. That has been very helpful", what do you think they really mean?

- "Well, thank you for answering that question. That has been very helpful." □

- "Your answer was so unhelpful that I have written a more helpful answer." □

- "I have been standing in Baker Street for five hours asking people questions, and I am so brain-dead that I am putting down the first answer that comes into my mind." □

- "I myself have no idea what this survey is for. I have just

been plucked off the unemployment pile and offered a few bolts to garner your answers, and I have been told to smile and say how helpful you are being. But what you are being helpful towards I have no idea." □

- "I am the watch-out for a gang that is about to do a bank raid across the road, and I need to adopt a pose that will not attract attention, and research has shown that people with clip-boards attract less attention than anyone else." □

Now, here is another question about questionnaires (and may I say that your answers so far have been extremely cool and helpful). This one is about mood changes that may take place halfway through a questionnaire.

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Barclays	17.9%	£154.78	£7,426.80	£465.00
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سكرا من الاميل



## What the archives reveal about stolen treasures

The recent opening up of archives closed since the 1940s has suddenly forced Europe to confront a second aspect of the Holocaust – before the Jews were murdered in the Second World War, they were robbed.

Everywhere in occupied Europe – France, Belgium, Holland, Denmark, Yugoslavia, Greece and elsewhere, not just in Germany – Jews had their assets confiscated and their enterprises subject to forced sales. Jews were made to pay discriminatory taxes, their businesses were boycotted, their property was looted, and they were asked huge payments for permission to emigrate or to avoid deportation. Did the Germans themselves do all this? They could not have – there were not enough of them in the occupied territories for the scale of the task. In the event, it was the French, the Belgians, the Dutch, the Danes, the Yugoslavs and the Greeks themselves and the citizens of every country under Nazi control who actually carried out most of the spoliation of the Jews outside Germany.

Questions which have been hardly discussed since the 1940s and 1950s are being asked again. Was the extent of collaboration with the Nazis in the seizing of Jewish assets much greater than previously believed? How well was restitution carried out in Europe after 1945? How adequately did the banks of the so-called neutral countries, particularly Switzerland, handle their responsibilities towards their Jewish customers? Indeed, were these countries "neutral" in any meaningful sense?

These questions will not be side-tracked once more. In France, President Chirac has commendably accepted French responsibility. And Jean Tiberi, mayor of Paris, when faced with the fact that the municipality still owns flats seized from their Jewish owners, said: "Let it be clear and without ambiguity. There were spoliation of the Jews. That is unacceptable, scandalous and ignominious." The accusations against Switzerland have plunged the country into its most serious crisis for 50 years.

Depriving the Jews of their material wealth and means of subsistence was a central aim of Nazi policy from the beginning. The objectives were to eliminate Jewish participation in the economy of Germany and then, later, in the economies of her allies and of her subject and satellite nations. In that part of France, for instance, left uncultivated by German troops until near the end of the war, where the Nazis allowed Marshall Pétain to govern from the spa town of Vichy, the anti-Jewish laws of July, 1941, began "en vue d'éliminer toute influence juive dans l'économie nationale..."

Unfortunately, restitution after the war was badly handled for the most part. When hostilities had ceased, governments found many different problems to resolve – Nazi spoliation of the Jews in Germany, Jewish assets transferred to Germany from across occupied



Andreas Whittam Smith

Before the Jews were murdered in the Second World War, they were first robbed

Europe, and gold and currency deposits that were Jewish in origin placed by the Nazis with the banks of neutral countries. But attention is now focusing on expropriated Jewish savings and property which were retained in the liberated countries, and assets placed by Jews who were subsequently killed with banks in neutral countries for safe keeping.

Restitution legislation enacted between 1944 and 1947 was inadequate. In most cases, it was restricted to restoration of property available at the time. Where Jewish businesses had been dissolved and their assets dissipated, there was no compensation. Moreover, when the local population had obtained possession of Jewish assets, restitution was rarely attempted. Small values were often totally excluded for administrative reasons (a particularly cruel regulation for poor families). And while claimants often gained the right to sue for the return of their stolen property, this was only the beginning; they then had to undertake expensive and protracted litigation. There was little humanity in any of this. How could Jewish orphans know exactly what their parents had possessed? How could the few survivors find the strength to carry their cases to a successful conclusion?

Officialdom, too, was unhelpful and sly where it was not actually deceitful. One example will suffice for many. In 1949, the French authorities had in their possession around 2,000 paintings and objects d'art seized from Jews but still unclaimed. Few attempts had been made to find the owners or their heirs. Instead, the stolen works were put on show in a sort of lost property exhibition outside Paris for a short period; no catalogue was published. Then the pictures and objects not reclaimed during the exhibition were placed in French museums, where they can be found today – 1,378 of them at the Louvre.

Let us not be smug. Had we been occupied and then liberated, there is no reason to think that we would have behaved better than the French, the Belgians, the Dutch, the Danes and the others. Parliament would probably have put equally flawed restitution legislation onto the statute book. The National Gallery might not have acted differently to the Louvre. Nor can we assume that Barclays, Lloyds, Midland Bank and NatWest would have been any more diligent in safeguarding Jewish assets than the Swiss banks appear to have been. In Britain, these outcomes would have been explained by the same good and bad reasons as on the Continent – the priority which had to be given to post-war reconstruction, the view that restitution should not be disruptive, a fear of fraudulent claims; but also a persistent, low-level anti-Semitism and the malign role of bureaucrats for whom imagination and sympathy are dangerous concepts. What the new material from the archives is showing us is ourselves.

## Clarke and Brown's common currency

by Donald Macintyre

How peculiar some events will appear to future historians. When the Cabinet last month agreed to state formally that it was "highly unlikely" that Britain would join a single currency on 1 January 1999 it was the main news item of the day in most newspapers. It led the TV bulletins. And rightly so. This was genuinely big politics. It had been preceded, after all, by intensive bilateral talks between John Major and Kenneth Clarke on the eve of the Cabinet meeting that finally approved the statement. The text was negotiated line by line, word by word. Clarke was depicted as having made a concession. *The Sun* cheered.

Which was odd, given that in the real world the statement itself changed nothing. It was an extravagant, almost surreal, understatement of the true position, namely that there is about as much chance of a Conservative government joining a single currency on 1 January 1999 as there is of finding developed android life on Pluto. But even at a theoretical level the statement did not really change anything. The Government had not expressed a view about joining the first wave of a single currency if it is delayed, as Kenneth Clarke and quite a lot of other knowledgeable people think it will be; the statement did not even rule out joining on 1 January 1999. And it did not inhibit a Tory government from joining during the course of the next Parliament.

Yet despite all that, this quaint and painfully negotiated statement of the obvious had consequences. One was that the Tory Euro-sceptics hailed the statement as a victory, and the Tory party started to relax a little about Europe; it was subsequently made clear to candidates that it would now be OK for them to express outright opposition to a single currency in their election addresses. Most important of all, the Euro-sceptic press, the *Daily Telegraph* and *Express* especially, chose to interpret the event – or non-event – as enough of a repositioning for Major to attack Labour as the "party that would sell out the pound". And for their editors to resume supporting the Prime Minister they had once reviled. Which was no doubt one of the purposes of the whole exercise, trick of the light as it was. And there is likely to be one other consequence: a light, final withdrawal of the *Tele* and *Express* from Labour before election day.



The formal position of both main parties on European Monetary Union will almost certainly be identical

Such an adjustment won't blur what has become a clear European fault-line between the two biggest parties. The central point of yesterday's engagement on BSE, electorally more fundamental than the voting figures or the charges of incompetence against Douglas Hogg, was to stick the Government with the expensive consequences of dissipating its political capital in the EU. For the hard-line sceptics, BSE is the drum on which to beat out the message of renegotiation and withdrawal from Europe; for Blair and Ashdown, whatever

their disagreements about yesterday's tactics, it is exactly the contrary: a living demonstration of what happens when you are not, to use John Major's own phrase, "at the heart of Europe". Labour's incipient credibility with big business is now entwined with fears that a post-Major Conservative Party could in time convert to the cause of withdrawal from the EU. There are industrialists who are agnostic about EMU but terrified of that.

Much as some Tories would wish them away, there are limits to how nakedly nationalistic

a campaign even they can fight. True, the elevation of Lord Cranborne to the unprecedented electoral role of "Chief of Staff" puts one of the Cabinet's six hard-line Euro-sceptics at Mr Major's side for the duration of the campaign. But the eclipsing of the voter-unfriendly party chairman, Brian Mawhinney, is twofold: the pro-European Michael Heseltine will be central to the campaign as well. And Mr Major recognises, by all accounts, that the still-incombustible Mr Clarke has made his last concession to the

sceptics. Mr Clarke has always depicted his stubborn refusal to allow his colleagues to rule out EMU in the next parliament as having the object of making the Tory party fit for pro-Europeans to live in, but he may have performed another patriotic service too: to have jammed his suede-clad foot into a door that might otherwise have shut, in a jingoistic election campaign, on an incoming Labour government too.

Nevertheless Labour's flank may not yet be wholly covered. Blair's real position is close to the Tories' formal one – and to where the polls and focus groups suggest the voting public is too: wary of the consequences of EMU but strongly in favour of keeping the options open. But at least some of his Tory opponents will try to raise the baseless spectre that Labour will, as its first act, plunge into EMU without considering the consequences – whether because it is ideologically addicted to Europe or because it doesn't trust itself to run a prudent economy on its own. It would be surprising therefore if at some point before polling day Gordon Brown, the shadow Chancellor (like Mr Clarke the most pro-EMU of his colleagues), did not make explicit what is already implicit: that he agrees with the Euro-sceptic Robin Cook that entry in January 1999, while not impossible, isn't likely.

Blair is comfortably pro-European. The shadow Chancellor, with the leader's wholehearted approval, will make a strongly pro-European speech in New York this week. But Blair's pro-Europeanism is pragmatic and economic, rather than romantic or ideological. For example, he won't suspect, be much impressed by the argument that we must go into the first wave of a single currency simply because Britain in the past has made the "mistake", from the Messina conference on, of being a consistently second-wave country when it comes to Europe. Equally, however, he won't try to trump the Tories by ruling out EMU in the first week. After all, whatever the differences within the Shadow Cabinet about EMU, they are about economics not constitutional principle. Even Robin Cook has accepted, as Michael Howard never could, that EMU membership is possible in the next parliament. The formal position of each of the parties therefore will almost certainly be identical. The difference is that in the Tory party only a minority now believe in it.

## Not biased, just timid

David Walker fears for the BBC's general election coverage

The *Today* programme's deputy editor, Francis Halewood, has just done the BBC a big election-side favour. He has left. That is to say, he has been dismissed from Broadcasting House to work for the right: he has become Operations Manager at Conservative Central Office.

What a boon to the parajandrums of BBC News – doesn't it just show how politically plural they are. It draws the sting from the Beeb bashing which, on past form, Brian Mawhinney and his video monitors at Smith Square will surely be tempted to indulge in. It is not that Mawhinney would not have a pretext. In Britain, unlike the United States, "right-wing broadcaster" is an oxymoron. Newsreader Maryam Lewis, the prophet of good news, and political editor Robin Oakley, *The Spectator's* part-time horse-racing correspondent, stand out precisely because they sound as if they could be Tories. That is something you just could not say about most apparatchiks or presenters. It's conceivable that when she enters the booth Sue MacGregor (and news supremo Jenny Abramsky likewise) votes right: it's just unlikely.

That Labour guru Peter Mandelson and Director General John Birt are buddies dates innocuously enough from their time together at London Weekend Television, but it also serves to show how unlikely are friendships and alliances between BBC people and men and women of the right. The idea of, say, James Naughtie and Sir Ivan Lawrence hitting it off socially is implausible – party invites to Chris Patten are another matter.

For all that, the BBC is set to have a good election – meaning, in its terms, one where the parties won't lay a glove on it. In 1987 and 1992, one way or another, the great matter of political debate was the size of government. The BBC was vulnerable because, at a subliminal level, the old Tory charge that BBC News is a nest of pinkos stuck. It sounded plausible for the obvious reason that the denizens of a big public-sector bureaucracy will always tend to be temperamental inclined towards collectivist politics. Britain has not changed that. In 1997 it just matters less. Blair

has largely shot the Tories' Big Government fox. Europe is the issue, and on that the BBC is fireproof. It has no institutional take, no hidden bias. News presenter Michael Buerk sounds as if he could be quite sceptical. Tony Hall, the Director of BBC News, may holiday on parched Siennese hills but the BBC has no in-built sympathy for the European project – if anything the progress of political unification in Europe could threaten its status as a nation-state broadcaster and also scupper its hopes of playing a global role.

Besides, Europe is an easy issue for bulletin editors: they can juggle a left-wing Euro-sceptic with a Tory Europhile (the Chancellor of the Exchequer), even invite on someone from Brussels or Bonn with

The question this election is not partisanship or professionalism, it's journalistic self-confidence

an accent and insure themselves against the charge of partisanship.

No, the BBC question this election is not partisanship or professionalism, it's journalistic self-confidence, that inner buoyancy that comes from a stable sense of purpose and identity – which obviates the need for presenters and editors to be looking over their shoulders at how this item will play with their "line managers" (the heavy irony with which that phrase is uttered!) and the big bosses above them.

This charge would of course be rejected by the apparatchiks of public-service broadcasting – we will ask tough questions without fear or favour and take the bricks if they come flying. The new editor of

*Today*, John Barton (he took over at the start of the year) has a folded past bête in the corner of his office and a somewhat sassy air. When he talks of "interrogative drive" you can feel his presenters, especially John Humphrys, putting the bite on ministers and their shadows. "We're going to be the awkward squad," he says and there is no reason to disbelieve him – within limits.

Those are limits based on fear of exciting controversy. A good part of election planning at BBC News is firing up machinery to handle complaints from the parties. "Since politics occupy a substantial part of our airtime, one would expect consistent monitoring of output. Parties have a right to complain and occasionally they will have a point." That is Richard Eyre, deputy chief of BBC News and former Controller of Editorial Policy (less Orwellian in practice than it sounds).

In television they have not quite gone as far as setting up a "rebuttal unit" to strike back quickly at allegations that one party has had a millisecond more than another, but there is in place a system for speedy electronic logging of complaints. There is no reason to doubt John Morrison, head of Television News, when he says the BBC will respond robustly, but equally he and his editorial colleagues are going to be spending a lot of time monitoring and following up complaints.

Talking to the hierarchs of BBC News I came away prepared to accept the ancient virtues – objectivity, impartiality – are safe enough. And yet it is also hard not to sense this is a ship without a compass, an animal without a backbone. The culture is "safety first". In this environment (the phrase comes from high up in the food chain), "John lifting the phone to pass on a thought from a politician is a pretty damn rare event". But it happens, and editors and managers with careers to nurture take care to ensure John Birt does not breathe a word in Tony Hall's ear which is then passed down the chain to end as a big black blot on the staff assessment report forms. Sometimes, however, public service means sticking your neck out and this election season is unlikely to see much of that.

## So politics isn't sexy ...

So teenagers aren't interested in politics. That's what yet another hand-wringing report said this week. Tell us something new. Politics isn't cool and it isn't sexy. Are we really surprised that young people can come up with something more entertaining to do?

Lamenting the alienation of the Thatcher generation is a fashionable pastime. Blaming political parties for youth detachment is becoming commonplace, too. London Youth Matters report yesterday was just the latest in a long line to worry about young people and politics. But the anguish is over the top, and the attribution of blame is badly focused.

Young people have never been wild about politics. Why vote, when you could be snogging? Sex, fear of pregnancy, failed exams and first pay cheques: all these seem far more exciting to the average teenager than debates about stable macro-economic management, pensions policy and joining a single currency. Grand, confrontational issues might stir a bit of interest (opposing the Vietnam War or winning women equal rights) but there aren't so many of those around at the moment.

Digging tunnels and crossing swords with those evil monsters the bulldozers gets the adrenalin going. Going to a local council meeting and discussing the state of local schools, though more effective in the long run, is pretty dull in comparison.

The middle-aged former activists who mean that it was never like this in their day are kidding themselves. The politics expert David Butler, of Oxford University, says: "It's

nothing new, and there is nothing special anyone can do about it. According to Butler, voting participation rises with age; as we become more middle-aged, more established, more settled, we vote more, too. Until we hit 55. Then, whether it be ill health or a mid-life crisis, we seem to get bored with ballot papers and participation declines once more.

Even the London Youth Matters report admits that the proportion of people who say "politics doesn't mean anything to me" falls from 21 per cent of 15-21-year-olds to only 14 per cent of 26-35-year-olds.

Of course it would be better if young people voted, and if they felt that political parties represented their interests. Anything that political parties, London Youth Matters, Rock the Vote, or anyone else can do to improve political education and to encourage participation is extremely welcome. But we shouldn't expect miracles. And we certainly shouldn't expect to see Tony Blair growing dreadlocks like Swampy, or John Major swinging his hips with the Spice Girls, in pursuit of a bit of youth credibility.

Where government fails to tackle youth problems – including the youth unemployment, homelessness and crime cited in the rest of the London Youth Matters report – then we should wring our hands, get angry and shout for something to be done. But where politicians merely fail to be sexy enough to distract from the inevitable excitement of teenage life, we should shrug our shoulders and just wait for those teenagers to grow up.

Yvette Cooper

## Planning on leaving a legacy to charity?

When planning your Will, you will, naturally, want to make sure that your loved ones are left financially secure. In addition, you may want to take advantage of this opportunity to make a charitable bequest – this not only brings significant tax advantages but also means you can help a charitable cause you hold dear.

There are a variety of ways in which you can effect a tax-efficient bequest all of which are explained in a new booklet published by WWP-UK called 'Your Guide to Making & Updating a Will'. It outlines, clearly, the issues you need to bear in mind when making a bequest to charity and explains some of the more confusing jargon associated with Wills and bequests.

It also describes how to go about making or updating a Will.

Making a Will – and keeping it up to date – is essential to safeguard your loved ones. If you are married, your property may not

necessarily pass in its entirety to your husband or wife, unless you make a Will leaving him or her everything. If you are unmarried, none of your property will pass to your surviving partner unless you make a Will. If you die without leaving a Will, the law provides that certain relatives, including brothers, sisters, parents, cousins, aunts and uncles might be entitled to your estate. It leaves a horrible mess – at a time when the people you leave behind, and hoped to be able to support, are least able to cope. So, making a Will – and keeping it up to date – is absolutely vital if you want to ensure that the needs of your loved ones are catered for in the event of your death.

Send for your free guide

To find out more about making a Will and leaving a legacy to charity, call 01483 426445 or write to Sally Burrows, Legacies Officer, WWP-UK, FREEPOST, Panda House, Godalming, Surrey GU7 1BR. Please quote reference IN25.

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# business & city

Business news desk: tel 0171-293 2636 fax 0171-293 2098  
BUSINESS & CITY EDITOR: JEREMY WARNER

## Red faces as George urges rate rise

Diane Coyle  
Economics Editor

Eddie George, Governor of the Bank of England, told MPs yesterday that he still thought the Chancellor of the Exchequer should raise interest rates. The Governor's increasingly public advice has become a growing source of embarrassment for Kenneth Clarke, who is keen to avoid increasing the cost of borrowing and mortgages ahead of the general election.

Mr George downplayed re-

ports about the clash of views between himself and the Chancellor, saying there was room for disagreement. He also indicated that the strong pound meant the Bank had backtracked from its advice, in December, that a half-point rise in base rates was needed.

But Mr George left no doubt that the Bank is still advising a tougher interest rate policy.

He told MPs that the strong pound had made the need for higher borrowing costs less pressing. It might even mean the Government would get inflation

down to its 2.5 per cent target by the end of this Parliament, he said. "But that would be pure chance," the Governor said.

The UK's inflation performance was not very good by international standards. The Bank was predicting only that the Government might hit the inflation target of 2.5 per cent for a short period this year.

"Domestic demand is not accelerating wildly. We are not talking about a boom. But it is growing above trend which means it is not sustainable for long," Mr George said.

Asked if the Bank was stating its case so strongly to prepare the ground for base rates to rise under a new Chancellor if they did not go up before the election, the Governor said: "Whoever is in power will have to address the strength of domestic demand at some point. We would say that the longer it is left, the bigger the move will have to be."

Sooner would be better, he argued. "As a general proposition, the earlier you move, the less you end up having to do."

The Governor gave a cau-

tious welcome to Labour proposals for a wider monetary policy committee, with members drawn from outside the Bank, to advise on interest rate policy.

"The devil of these things is always in the detail. In principle it would be helpful to us," he said. "The idea that we might have outside people has potential pluses and minuses."

He told MPs on the Treasury select committee that the UK's record on inflation was relatively poor. "Our performance is not as good as we like to think it is."

Greater international com-

petition and technological change accounted for much of the decrease in inflation. "I don't pretend that the reduction in inflation you see in this country is due to a sudden improvement in macro-economic management," Mr George said.

He added: "Our inflation performance has been bad relative to the rest of the world. It is still not that good relative to the rest of the world."

The remarks put in context Mr George's insistence that he and Mr Clarke were not that far apart. "We come to a different

conclusion. That seems to me to be an entirely reasonable proposition. The only people who don't seem to get excited about it are the Chancellor and me," he said.

The Governor added: "We are talking about really pretty narrow differences."

The Bank's regional agents had reported less concern about the strength of the exchange rate among exporters than might have been expected. Even so, Mr George accepted the need for a rise in base rates had become less urgent.

The Governor took the chance to repeat his caution about European monetary union taking place before the economies had fully converged.

The Governor added that the pound's 20 per cent appreciation against the German mark "illustrates the potential problem of trying to live with a one-size-fits-all monetary policy."

Mr George agreed that the financial markets had increasingly come to see the euro as a weaker currency than they had first thought.

## London Clubs bids £181m for casino operator Capital

Patrick Toohy

London Clubs International yesterday staked £181m for rival casino operator Capital Corporation in a rare hostile bid in the tightly regulated gaming industry.

The takeover, which would give London Clubs a bigger slice of the capital's gaming market, will almost certainly be referred to the Monopolies and Mergers Commission and will need approval from the Gaming Board, the industry watchdog.

London Clubs runs seven casinos in the capital, including the Ritz club and Les Ambassadeurs, which are aimed at so-called "high-rollers" - wealthy gamblers such as Kerry Packer or the Sultan of Brunei who typically win and lose millions each night. Capital Corporation owns and operates Grosvenor and the Colony Club, two casinos in the exclusive Mayfair area of London.

"The nature of the businesses operated by both companies will ensure that they are integrated efficiently and with minimal disruption," said Alan Goodenough, London Clubs' chief executive. The merger would give London Clubs a better chance of winning tenders overseas, he said.

Last month London Clubs, which also operates five clubs in France, Egypt and Lebanon, paid £30m for a quarter share in a new Las Vegas gambling and hotel complex in the first

move by a UK company into the highly lucrative US casino market.

London Clubs is offering 47 of its new shares for every 100 Capital Corporation shares. There is no cash alternative.

The offer represents more than 30 times Capital's forecast earnings for 1996. "We are making a full and generous offer compared with other recent casino acquisitions in London," Mr Goodenough insisted.

**'We spoke to them three weeks ago. We weren't horsetrading'**

But in a statement Capital Corporation, led by Gary Nesbitt, the former head of Our Price Records, rejected the bid, saying it was unwelcome and undervalued the company. Shares in Capital closed 14.5p higher at 186p, versus the 181p offer price, while London Clubs ended 6.5p weaker at 378.5p.

London Clubs' offer comes just six weeks after Capital Corporation issued a profit warning, saying 1996 would be hit because high-rollers had stayed away from the roulette wheels and green haze in the run-up to Christmas.

Mr Goodenough confirmed that London Clubs had approached Capital about an agreed takeover shortly after the profits warning, but talks broke down over price.

"We spoke to them three weeks ago," he said. "There might have been somebody else talking to them on a fairly frivolous basis but we weren't horsetrading. We wanted to let shareholders decide on the logic of our bid."

Mr Goodenough said the outcome of the bid rested with half a dozen investors who spoke for about 50 per cent of each company. He denied the bid was a defensive move to thwart the likes of Ladbrokes, who were keen to expand their casino operations in London.

There are 117 licensed casinos in Britain and operators are seeking to lift a number of restrictions, including a ban on the use of credit cards by customers. Gamblers must also wait 48 hours between filling out a membership application and being allowed to play the tables.

Ministers have already proposed some measures to deregulate the industry, including liberalisation of strict rules governing advertising. The world casino market is undergoing a dramatic consolidation. Hilton's hostile bid for ITL, owner of the Sheraton hotels, is partly driven by the desire to own ITL's gaming business.

Comment, page 17

City sceptical about chief executive's explanation for book company's £100m loss



Happy to help: Peter Mayer said he would be willing to assist Pearson and the auditor Price Waterhouse with their enquiries, but he had not been asked

## Penguin chief 'didn't know about scandal'

Nigel Cope

Peter Mayer, the former head of Penguin Books in America, spoke for the first time yesterday about the Pearson subsidiary's £100m accounting scandal, saying he had known nothing about it.

Speaking after his return to New York following a six-week holiday in South-east Asia, Mr Mayer said the accounting scheme was in no way sanctioned by him and that he was only told of the problem a few days ago.

"I had no knowledge of it. I was really shocked and dismayed when I heard about it. There were quite a few controls in place between the level at which this happened and my position. Clearly those controls didn't work and we need to find out why."

Asked whether, as chief executive, he should have been aware of a six-year scheme in which book retailers were given discounts for early payment, he said: "It is a difficult question to answer. Obviously as chief executive you are responsible for the business so the answer is 'yes' to part of the question."

"But is there any way a CEO could have known when so many financial people, who had this as their only job, did not know either?"

Mr Mayer said he had had no direct contact with the woman responsible for the scheme who

had worked for Penguin for around 16 years. "I know her name but I had no direct contact with her at all. As to why she did it, I haven't a clue. It's a strange story. It would appear there was a degree of zeal there that was not appropriate."

Mr Mayer said he was happy to help Pearson and auditor Price Waterhouse with their enquiries but had not yet been asked. "I would welcome the opportunity to help, of course, I am more than interested to know the detail."

Mr Mayer said he first heard of the "black hole" in Penguin's accounts when he was telephoned in Hanoi by Michael Lynton, the new chief executive of Penguin USA. He was initially only told that there was a problem. The scale of the scandal followed later. "Describing my reaction, I said: 'I would have to be dismayed and shocked and some anger.'"

He denied that the woman's actions might have been encouraged in some way by Mr Mayer's tough performance targets. He said Penguin had a stated policy that no discounts should be given for cash.

The City took a dim view of Mr Mayer's statements yesterday. One media analyst said: "It is basically a completely unsatisfactory answer. As chief executive he should have known. That he didn't suggests that his involvement did not stretch as far down the organisation as it should have done."

## Tesco targets young mothers

Nigel Cope

Tesco is to woo young mothers with a baby catalogue launched today. In what Tesco claims is the first supermarket mail order catalogue, it will offer maternity clothing and nursery items such as bedding, prams and pushchairs.

Purchases attract bonus points on Tesco's loyalty card. Shoppers can also phone a special number to receive information about pregnancy and the first year of a baby's life.

Tesco's commercial director, Simon Unwin, said the catalogue would be a convenient way to shop with low prices and quality products. He claimed the launch made Tesco "the best place for mums to shop".

Tesco added: "This is a major growth market. We are trying to regain market share we've lost to Mothercare."

Tesco launched its Baby Club in January and claims it has been successful. Members receive information packs and money-off vouchers.

Following the success of Tesco's loyalty card, developed by chief executive Terry Leahy, the company is likely to use the data collected from its loyalty card to target mail shots at customers known to have bought baby items such as nappies.

Though Tesco has been making the running in the grocery battle, it is behind Asda in the clothing market. Asda's George range of clothing has been showing strong sales growth and the company has bold plans to make it the second most popular clothing brand behind Marks & Spencer.

Richard Hyman at retail consultants Verdict Research said: "I think it is probably a good move. Clothing is not a major part of Tesco's offer but this is a good way of developing it."

Direct mail order is becoming increasingly attractive to retailers. The major supermarkets are also experimenting with various methods of home grocery shopping which enable customers to order via phone, fax or the Internet.



A success: Terry Leahy was behind Tesco's loyalty card

## Pound tempers rise in output at British Steel

Chris Godsmark  
Business Correspondent

British Steel's output rose last year to its highest level since 1989, but the rate of growth has levelled off sharply in the face of savage price cuts and the surge in the value of the pound, it emerged yesterday.

Figures from the company, to be released at the end of the month, will show its output of crude steel hit 16.12 million tons in 1996, up from 15.7 million tons recorded in 1995. Last year's output was the highest since the 16.48 million tons produced in 1989 and should be enough to maintain British Steel's third place in the world league table.

Under the split, 1.7 million British Gas shareholders, including many "Sids" who have held the stock since privatisation in 1986, received one Centrica share for every share they held.

However, the production statistics come as industry analysts take an increasingly bleak view of British Steel's prospects. The 25 per cent rise in the value of

the pound over the past year has hammered profitability and taken its toll on the group's share price, which has plunged by almost a third since September.

For every 10 pence rise in the value of sterling, British Steel's profits fall by roughly £100m. Yesterday a spokesman warned that much of the group's hedging against foreign currency movements would run out at the end of March, when the full force of the appreciation of sterling would hit the accounts.

Another severe problem has been the general European slowdown in growth which has limited demand for steel products. Producers have cut prices in an attempt to kick-start the market, a tactic which British Steel was forced to follow to justify its position as the world's lowest cost producer.

Analysts have already downgraded their forecasts for British Steel's annual profits for the year to March to around £480m from the £1.1bn made in 1995/96. For 1997/98 profits could drop further to around £350m.

One analyst explained: "Their competitive position is pretty awful at the moment. These production figures just endorse the fact that British Steel is maintaining market share abroad by slashing its prices."

Sir Brian Moffat, British Steel chairman, has already warned of further job cuts to compensate for falling profits. British Steel's investment spending this year is likely to total £400m, up from £321m the previous year.

## Centrica shares fall as takeover speculation dims

Shares in Centrica, the former British Gas supply business which has demerged to become an independent company, got off to a bumpy start yesterday in their first day of stock market trading, writes Chris Godsmark.

Uncertainty over the group's long-term future took hold of the markets, which marked Centrica shares down 10.25p to

65.25p compared with Friday's closing price on the unofficial "grey market". Shares in BG, the renamed core of British Gas which runs the pipeline network and offshore exploration operations, edged up 2.5p to 174.5p.

The price had risen sharply on the grey market last week on speculation that Centrica would be a takeover target for one of the big oil companies seeking a

route into the UK gas business. However analysts pointed to the many drawbacks which are likely to dog Centrica, including management's prediction that it will not pay a dividend "for the foreseeable future". Demerger documents show Centrica lost a notional £486m in the nine months to the end of last September after exceptional charges of £457m.

Simon Champion, a gas analyst with Charterhouse Tilney, said: "We don't see it as a takeover target because we can't see who would want to buy it. It isn't attractive to income funds, unlike British Gas, because it won't pay a dividend. All that makes the business very hard to value."

The company is still negotiating to lessen its £30bn take-

or-pay" burden from contracts to buy gas it no longer needs at inflated prices. City experts have estimated it will cost £1bn for Centrica to buy its way out of these liabilities.

Under the split, 1.7 million British Gas shareholders, including many "Sids" who have held the stock since privatisation in 1986, received one Centrica share for every share they held.

# STOCK MARKETS

Index	Close	Day's change	Change(%)	1996/97 High	1996/97 Low	Yield(%)
FTSE 100	4337.80	-3.20	-0.1	4341.00	3632.30	3.60
FTSE 250	4606.50	+0.50	+0.0	4616.00	4015.30	3.38
FTSE 350	2140.90	-1.10	-0.1	2142.00	1816.60	3.56
FTSE SmallCap	2340.95	+2.04	+0.1	2340.96	1954.06	2.91
FTSE All-Share	2113.17	-0.95	-0.0	2114.12	1791.95	3.51
New York	6988.98	-33.48	-0.5	7022.44	5932.94	1.92
Taipei	19750.65	+28.65	+0.2	22666.80	17303.65	0.891
Hong Kong	13144.62	+31.36	+0.2	13668.24	10204.87	3.251
Frankfurt	3232.57	-15.61	-0.5	3248.18	2253.36	1.451

\*New Japan Index & Nikkei Index

Source: FT Information

# INTEREST RATES

Index	1 Month	1 Year
UK	6.06	6.69
US	5.41	5.78
Japan	0.44	0.41
Germany	0.19	3.16

Index	1 Month	1 Year	Medium Bond (%)	Long Bond	(%) Year Ago
UK	7.13	7.86	7.21	7.90	
US	7.49	2.07	6.35		
Germany	5.50	6.36	6.27		

\*Money Market Rates

Source: FT Information

# CURRENCIES

Index	Yesterday	Change	Year Ago
£/London	1.6168	-0.42c	1.5478
£/New York	1.6206	-0.15c	1.5846
DM (London)	2.7478	+1.42c	2.7400
¥ (London)	201.188	+0.14	162.072
Index	98.0	+0.3	83.6

Index	Yesterday	Change	Year Ago
£/London	0.6185	+0.05	0.6408
£/New York	0.6171	+0.06	0.6471
DM (London)	1.6265	+1.33c	1.4511
¥ (London)	124.440	+0.24	105.021
Index	104.2	+0.4	95.0

Other UK exchange rates and DM Index (Index at 100)

Source: FT Information

# MAIN PRICE CHANGES

RISGS	Price (p)	Change (p)	Change (%)	Falls	Price (p)	Change (p)	Change (%)
Cemex	1125	75	6.1	Centrica	65.3	10.3	13.6
Low & Bonar	424.5	26.5	6.1	Scania Hldgs	679.5	29.5	4.2
Monument Oil&Gas	83	4	5.1	Sainsbury & Nephew	188.5	5	3.8

# OTHER INDICATORS

Index	Yesterday	Day's chg	Year Ago	Index	Latest	Yr Ago	Next Index
Oil Brent \$	20.47	-0.11	18.28	RPI	154.4	146.0	13 Mar
Gold \$	245.85	-1.6	400.20	GDP	109.7+2.8	105.7	25 Apr
Gold £	213.35	-0.43	259.31	Base Rates	-6.00pc	6.75	





## COMMENT

'One of the reasons so many nations were so willing to sign up to free trade for this industry is that those that do not will be put at a serious competitive disadvantage to those that embrace it'

# EU was catalyst for telecoms breakthrough

Here are a couple of questions about the World Trade Organisation's latest coup – last weekend's landmark agreement between 68 nations to free up their markets to international competition in telecommunications. Is it really as significant as it looks, and if it is, can it be followed in short order with similar agreements covering the freeing up of trade in other services, goods, labour and capital, what is the point of regional trading blocs like the European Union?

The answer to the first question perhaps lies in the second. Yes, it is important, a hugely significant staging post in the development of a truly global economy, but we are still a long way from a global version of the free trade union that typifies the EU or the United States. Indeed to regard trade agreements of this type as a substitute for the European Union, as many Euro-sceptics do, is a distinctly Anglo and highly misleading way of looking at these things.

For its roots look back to the days of Gladstonian Liberalism when Englishmen, and yes, quite a few Scots, too, were able to travel the world freely without the benefit of passport or calling card. Britain's industrial and imperial supremacy made them natural champions of free trade. The John Redwoods of these islands would like to believe that a suitably modernised version of this glorious past is still possible – that if you can win the global argument for free trade it would be perfectly possible to exist outside the Union with its expensive social and political obligations. Logically he must be right, for a global free trade economy is just a larger version of the European one; the former would supersede the latter. But here's why he's so wrong in practice. The case is best put by Peter Sutherland, managing director of Goldman Sachs International and a convinced European. He's also both a former European Commissioner and former chairman of the WTO, so in a sense he straddles the argument.

His starting point is that the telecoms breakthrough would never have happened at all but for the precedent already set by the EU in liberalising its telecoms markets. The EU, then, is not an irrelevance in the process of globalised free trade but rather a vital catalyst. His other point is that the EU is qualitatively different as a trading bloc from the sort of inter-governmental accord that make up WTO initiatives and the General Agreement on Tariffs and Trade (GATT). This is largely because the EU has supra-national powers which override national legislation, enabling it to enforce free trade principles.

For the moment the WTO can only dream of the level playing field environment that the EC imposes on competing nations and businesses. The WTO can trust only to a dispute procedure, which in turn relies on the goodwill of its 68 signatories. Add to that the opportunity for fiscal and cultural discrimination among nations, and notwithstanding the good intentions of the WTO it

can readily be seen that (that the EU is a long way from being made redundant by these very encouraging trends.

This is not to belittle the nature of the accord. Telecoms revenue forms more than 2 per cent of global gross domestic product and it's growing exponentially. One of the reasons so many nations were so willing to sign up to free trade for this industry is that those that do not, those that close their markets off in the communications revolution, will be put at a serious competitive disadvantage to those that embrace it. All the same, what has been achieved here is nowhere near as deep as what has already been put in place in Europe. It will still take decades to mirror the EU and US positions globally.

## Double-guessing the OFT on Chubb

As the election approaches, the Office of Fair Trading's reputation for unpredictability grows steadily stronger. Attempting to double-guess what the politicians want is producing some perverse decisions. Just ask Liam Strong at Sears, who is still smirking over the OFT's advice that the sale of Freemans should go in the MMC. What then will it make of the £1.3bn bid by Williams for Chubb?

There is obvious potential for difficulty here, for when Williams' last bid for Chubb

– when it was part of Racal six years ago – undertakings were required that it would sell Chubb's entire UK locks, safes and research business within 15 months. Williams is confident that this time round it will escape largely unscathed; since 1991 there has been greater import penetration and in any case, Williams argues, it is generally accepted that the market definition should be much wider than it was then. The 50 per cent share of the UK locks market that the two combined would have had in 1991 is, as a consequence, considerably lower.

Is the OFT going to buy it? If it doesn't, and Williams is again required to sell off all or part of the UK business, it makes the already toppy price it is paying for Chubb look even fuller. Williams can protest vainly about being mainly interested in Chubb's Far Eastern interests, but surely monopoly value in Britain is a large part of the motive for this deal? If not, why is the normally canny Sir Nigel Rudd paying so much?

## Safe bet Goodenough bid not good enough

London Clubs' hostile bid for Capital Corporation is an each-way bet, the corporate equivalent of putting chips on both red and black. Having made much of its overseas forays, most recently into the bright lights of Las Vegas, the owner of the Ritz and Las Ambassadors casinos is now punting on the

more discreet money circulating Mayfair's gaming dens. Either way it is a gamble on the swelling tide of deregulation in the world's betting markets.

A one-way bet it is not, however, and Capital, owner of Crookfords and the Colony Club, has no plans to roll over with its dice. Alan Goodenough, London's chief executive, will come in for ribbing about his name over the next few weeks, because his bid is almost certainly not – good enough, that is.

It is certainly opportunistic, coming a matter of weeks after Capital warned its profits would suffer from an absence of foreign high-rollers – casinos have been one of the less well publicised victims of the soaring pound. On a price/earnings multiple in the high twenties, Capital might not seem cheap by the standards of industrial companies, but it is by no means expensive for a business that comes second only to the lottery as a licence to print money.

As with any scarce asset, the price of casino tables is also driven largely by their rarity value. Deregulation threatens to bring blackjack to the boon docks for the first time, but in the capital the number of casinos, and access to them, is likely to remain limited for a while yet. Long-term, however, the ludicrous regulations governing the industry – no credit cards, 48-hour cooling-off periods, restricted machines – will be swept away and the odds on licence holders scooping the jackpot will shorten dramatically. Mr Goodenough has not yet paid enough.

## Winchester 'paid £75,000 gratuity' to Hamanaka

Richard Lloyd Parry  
Tokyo  
Peter Rodgers and  
Jill Treanor  
London

Yasuo Hamanaka, the rogue copper trader who lost the giant Sumitomo Corporation \$2.6bn (£1.6bn), yesterday admitted receiving an improper "gratuity payment" of £75,000 from Winchester Commodities, which carried out trades on his behalf on the London Metal Exchange (LME).

This is the first time it has been officially suggested that the former head of copper trading profited personally from his fraud and the first time a firm in Britain with links to Mr Hamanaka has been alleged in a criminal court to have been involved in misconduct.

Charles Vincent and Ashley Levitt, Winchester's wealthy founders who now live in Monte Carlo, have strenuously denied involvement in irregular dealing with Mr Hamanaka.

They have also maintained Sumitomo board members approved a complex copper deal with Mr Hamanaka, code named RADR, but both prosecution and defence agreed in court that Mr Hamanaka had been acting without the knowledge of anyone else in Sumitomo.

Mr Hamanaka was pleading guilty yesterday to fraud and forgery, in a trial that promises to answer very few of the outstanding questions about one of the world's biggest ever financial scandals. Charges of breach of trust were dropped.

The prosecution alleged that Mr Hamanaka received 15m yen (£75,000) in cash from Shinichi Nishi, the Tokyo representative of Winchester, who was a close acquaintance of his.

Mr Hamanaka used the money to entertain clients and others at nightclubs, to buy golf club memberships and to make overseas trips.

In court Mr Hamanaka quietly answered, "That is correct," to a string of charges relating to 10 years of unauthorised trad-

ing which depressed global copper prices and led to international fraud investigations in Britain and the US.

The revelations in the Tokyo court come against the background of a Serious Fraud Office criminal investigation of the London connections in the copper scandal and a separate Securities and Investments Board (SIB) inquiry, both of which are continuing.

The 44-page prosecution statement accused Mr Hamanaka of forging four letters in order to open accounts, and fraudulently diverting \$771m in false copper warrant deals from Sumitomo's Hong Kong office to an account run by Morgan Guaranty, a New York subsidiary of J.P. Morgan.

The maximum sentence for the combined charges is 15 years, although Mr Hamanaka's guilty plea and willingness to co-operate with the authorities is likely to mitigate this.

Although the defence does not dispute the charges, it will argue that inadequate risk management contributed to his offences. In court, however, both sides agreed that he acted alone. "Through various deceptions, he pretended that Sumitomo's copper trading team always turned a profit and that he was a talented dealer," the prosecution alleged yesterday.

"Therefore, he had the full confidence of his superiors."

The Securities and Investments Board angrily denied a claim by *Panorama* reporters that Martin Vile, then capital markets director at the SIB, urged the LME not to investigate allegations made by David Threlkeld, a well-known metals trader.

Mr Threlkeld wrote to the regulators in 1991 alleging Mr Hamanaka had asked him to confirm several fictitious trades. A SIB spokesman said: "On 10 December 1991, four days after the letter was written, Mr Hamanaka and another Sumitomo official were interviewed jointly by the SIB and the LME. We believed that Sumitomo Corporation at that time endorsed the explanations given."

## Britain split on landmark WTO telecoms ruling

New entrants fear that giants will benefit most, writes Chris Godsmark

Britain's telecommunications industry was divided yesterday about the implications of the landmark deal signed at the weekend by 68 countries to free up telecommunications markets.

Aggressive new entrants in the UK market, already one of the most liberal in the world, claimed traditional established carriers like British Telecom, as well as AT&T in the US, faced a serious erosion of business.

However, BT argued it would make up in new trade overseas the business that it lost in the UK. They agreed on one thing, though: the deal was hugely significant.

The countries involved have agreed to allow foreign competitors to move into what were in most cases heavily regulated markets dominated by state

monopolies. The "offers" tabled by individual states differ. Japan, for instance, has restricted foreign stakes in NTT and KDD, its two main operators, to 20 per cent. Canada and Mexico refused to allow foreign companies to own majority stakes. Yet the biggest breakthrough may well be the agreement to create enforcement regimes, mirroring the work of Ofcom, the UK's regulatory department.

Don Cruickshank, the British regulator, explained: "The key to this is that most people signed up to the principle of establishing regulators and abolishing unfair arrangements such as cross-subsidies."

However, he warned: "The

next stage is the detail. The possibility of using the WTO's established dispute resolutions procedures is crucial."

The total world telecoms market is already worth \$600bn (£371bn) and research in the US suggests it could double to \$1,200bn by the year 2000, with much of the growth boost coming from the WTO agreement. The UK alone could see additional business worth £20bn over the next 10 years.

Competition should bring dramatically lower prices on long-distance call routes. Traditionally, the wholesale rates for calls on international routes have little relationship to the cost of providing the service, Mr Cruickshank explained:

"Just in the short term, interconnect prices between companies will fall sharply. Accounting rates average three to four times the true cost of the calls, money which flowed into local monopolies."

Oftel is likely to completely abolish accounting rates between the UK and US later this year, moving to genuinely transparent wholesale charges.

Yet this will hit revenues for the large incumbent carriers, though in the case of the EU and US this trend was already well-established. BT's revenues from international calls fell in the nine months to the end of December from £1,486bn to £1,393bn as prices plunged and the pain is set to continue.

Mike Grabiner, chief executive of Energis, the telecoms group set up by National Grid and a former senior BT executive, argues operators will have to move into higher-value services such as the Internet to compensate. "I think the plain telephony market is going to be hard to grow in the kind of volume needed to make up the cut in profit margins. It's going to be very tough for incumbents like BT, but at Energis we start from a smaller market share so it is easier to grow."

BT, barely surprisingly, disagrees, claiming it will be a net beneficiary as foreign opportunities and world growth increase. Larry Stone, BT's head of EU affairs, said: "Incumbent

carriers are also new entrants in other markets. With our merger with MCI and stakes in European partnerships we're in a good position to get into new markets."

Manufacturers of telecommunications equipment stand to make huge gains as rival firms scramble to build new networks.

Granger Telecom, a medium-sized UK business exporting to Africa, the Middle East and eastern Europe, said a recent project was to build a £17m wireless fixed phone network in Ghana where they were opening up their industry.

"Some of the smaller countries in this deal are ideal places for us to sell to, with little or no established infrastructure," a spokesman said.

Hamish McRae, page 20

## PIA cracks down on 'broker funds'

Nic Cicutti  
Personal Finance Editor

The Personal Investment Authority, the financial services regulator headed by Colette Bowe, yesterday cracked down on so-called "broker funds" offered, and managed, by financial advisers. More than £2bn is invested in "broker funds", many of which have underperformed.

The PIA said that advisers who sell "broker funds" must inform clients that the extra fees levied may lead to the funds performing no better than traditional funds operated by unit trust and life companies.

Advisers will also have to explain to potential investors in writing that there is a conflict of interest between independent advice and placing money in a broker fund.

The PIA's crackdown covers almost 300 advisers who manage £2bn in funds on behalf of about 130,000 clients.

There are more than 1,300 broker funds covering a multitude of areas. They are set up by advisers, who use a life or unit trust company to act as the manager. The adviser creates the fund, picking and choosing between different assets.

Advisers receive payment for investment "expertise", while the fund management company is also paid to look after the portfolio, sometimes leading to investors paying more than twice the going rate.

Yet PIA researchers found that between January 1990 to November 1996 life funds grew by an average of 7.3 per cent compound each year. Equivalent broker funds grew by 6.1 per cent annually.



Getting tough: Colette Bowe of the PIA which has signalled a warning to advisers dealing in broker funds

## British firms boost PR fees above £200m

John Willcock

Public relations firms are experiencing a return to the heady days of the 1980s, with fee income rising by 15 per cent last year, three times the growth rate for 1995.

According to a survey by the Public Relations Consultants' Association, which represents 100 firms comprising more than 80 per cent of the PR industry

in the UK, fees exceeded £200m for 1996.

At the launch of the association's 1997 Yearbook, director Christopher McDowall said: "The extraordinary boom in the use of PR consultancies throughout the country can be attributed to companies of all sizes, from international ples to family firms, realising how cost effective public relations is compared with advertising."

City PR firms report that growth in fees from business and financial work has been rising even more rapidly, and for longer. This is a direct result of the boom in City mergers and takeovers, according to Nic Miles of Financial Dynamics, a City consultancy: "City PR firms have been showing strong growth for some years. Most consultancies with City operations have seen the City side

grow by over 15 per cent for the last four years."

Jane Ageros, chief spokeswoman for Abbey National, who is soon to move to the investment bank Merrill Lynch, said: "People are starting to realise PR consultancies can be as important as merchant banks in corporate deals.... PR is becoming more of a discipline. It used to be just moults, now they're a key part of the process."

## IN BRIEF

• Too many would-be buyers chasing too few available properties were forcing up house prices, a report from the Royal Institution of Chartered Surveyors (RICS) said. Sellers are delaying putting their houses on the market until they find a property to buy, creating what the RICS called "a self-perpetuating cycle of frustration". This raises the number of people looking, but reduces the levels of property for sale. Many home owners could also be holding off from moving because of this summer's avalanche of windfall payments from building societies. The institution's quarterly survey of the housing market quizzed 268 chartered surveyors over changes in prices and the level of homes sold or for sale. Ian Perry, the RICS housing market spokesman, said prices were rising in many areas, but this was because of the very restricted stock.

• Cable & Wireless said its Mercury Communications subsidiary would cut the cost of calls tomorrow to more than 25 international destinations for the majority of its consumer and small business customers. Residential SmartCall customers will pay up to 18 per cent less for international calls while small businesses on the GlobalLink package will pay up to 28 per cent less. GlobalLink customers who call the US and Germany will have prices per minute cut by 20 and 17 per cent respectively.

• German consumer prices rose a final 0.5 per cent in January from December and were up 1.8 per cent from a year earlier, the Federal Statistics Office said. In western Germany, final CPI figures rose 0.5 per cent month-on-month and 1.9 per cent year-on-year and eastern German CPI rose 0.7 and 1.7 per cent respectively.

• Consumer prices in the OECD, excluding Turkey, rose 0.2 per cent in December after a 0.1 per cent rise in November. Prices were up 3.3 per cent year-on-year in December, unchanged from November. Including Turkey, prices rose 0.3 per cent month-on-month and 4.7 per cent year-on-year. The Czech Republic, Hungary and Poland are excluded from the OECD figures. Underlying inflation, which excludes food and energy prices, fell to 2 per cent in 1996 from 2.7 per cent in 1995. Turkey and eight other OECD members do not provide figures for underlying inflation.

• French industrial production grew in most sectors in January compared with December, according to a survey of business leaders by the Bank of France. "The outlook for the coming months is distinctly brighter," the central bank said, adding: "Activity should increase in all sectors, with marked improvements in the intermediate goods and food processing sectors."

• Ian Lang, Secretary of State for Trade and Industry, has decided not to refer the acquisition by Carlton Communications of Westcountry Television to the Monopolies and Mergers Commission.

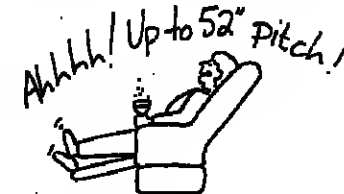
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## business

# Wellington pays £34.9m for corporate name

Jill Treanor  
Banking Correspondent

Wellington Underwriting, one of the largest Lloyd's of London underwriting agents, announced a landmark deal yesterday when it bought Premium Underwriting, one of the first new-style corporate vehicles to be authorised by the insurance market, for £34.9m.

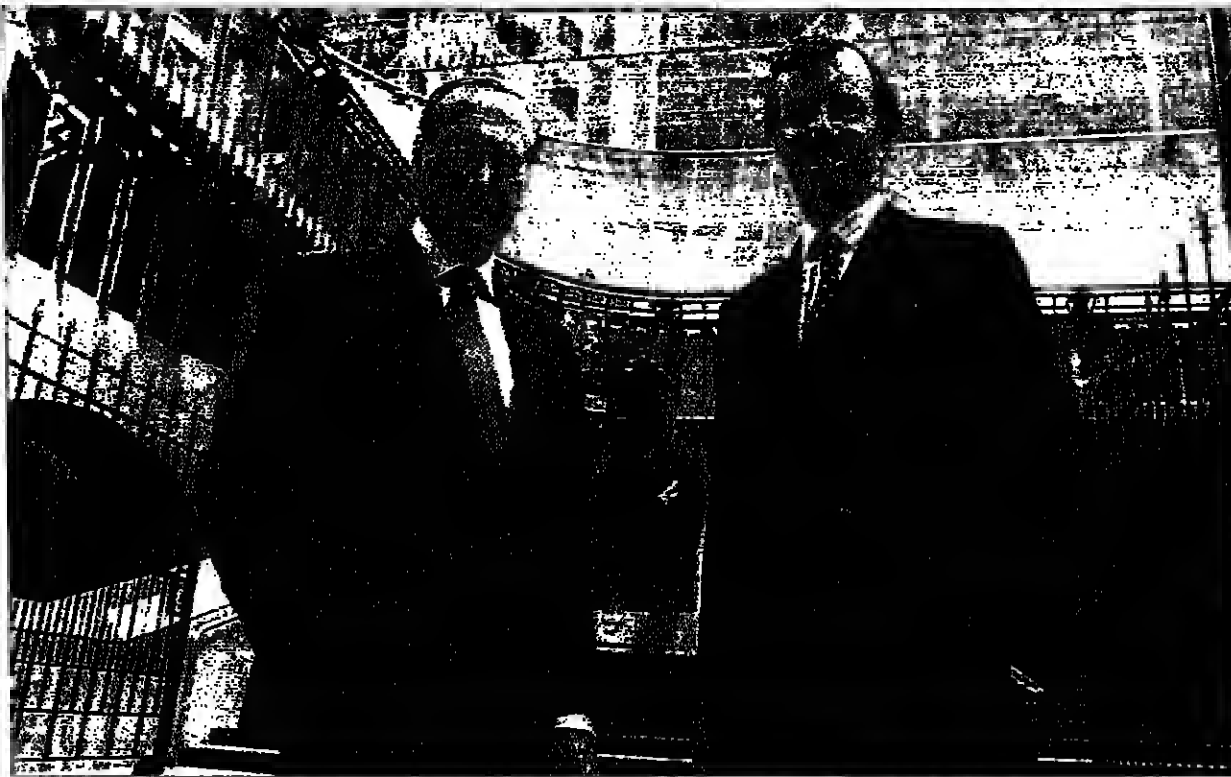
While consolidation among Lloyd's underwriters has been going on for many months, this is the first time one of the original corporate "names" has been snapped up.

Corporate vehicles such as Premium differ from traditional investors in the Lloyd's insurance market because their liabilities are limited and the risks are spread across a variety of syndicates.

"As one of the major agencies we're buying one of the investment trusts. That hasn't been done before," said Julian Avery, managing director of Wellington.

The two groups announced they were in talks last month and the offer upon which they have agreed represents a 37.2 per cent premium over the middle market price of Premium's shares on 15 January, the day before the discussions were formally announced.

Under the terms of the deal, Premium shareholders will receive 125 new Wellington shares and £25.20 in cash for every 100 Premium ordinary shares. Holders of 100 Premium convertible shares will receive 118 new Wellington shares and £25.80 in cash.



Premium asset: Anthony Haynes, chairman of Wellington (left), and Julian Avery, managing director

Mr Avery said the deal made financial sense as it would enhance earnings per share and increase net assets.

"But, most particularly, it will enable us to grow the amount of capacity that we support on our own syndicates in a very effective way," he added.

The conventional way to increase capacity is to raise funds on the market, such as a

rights issue. But Mr Avery said this was difficult as it would take three years for the additional underwriting flows to be accounted for.

By buying an existing operation Wellington would receive underwriting returns from 1994 onwards, Mr Avery said. He thought other deals may follow this one.

Wellington is managing agent for more than £600m of capacity

which is spread across several syndicates covering areas such as property, motor and marine and non-marine insurance.

Its capacity has fallen from the extremely profitable years of 1993 and 1994 when it exceeded £750m. Competition has continued to reduce its capacity although Wellington expects its results for 1996 to benefit from the lower incidence of large insurance claims.

Premium underwrites through seven underwriting subsidiaries which are all corporate members at Lloyd's.

Archibald Walker, chairman of Premium, said: "The offers from Wellington give our shareholders both a very satisfactory return on their investment and the opportunity to participate for the future in one of the leading specialist Lloyd's insurance groups."

## Nursing group ordered to revise its accounts

Peter Rodgers  
Financial Editor

Associated Nursing Services is to revise its accounts for the two years to 1996 following rulings by the Financial Reporting Review Panel on the treatment of sale and leaseback deals and joint venture companies.

The rulings, the first based on the FRSS accounting standard introduced in 1994, are expected to affect many companies in the nursing home, retailing and property industries.

The immediate impact on ANS will be to reduce earnings per share, which sent the price to a new low for 1997 of 136p, down 5.5p.

Daniel Francis, finance director of Nursing Homes Properties, which carried out sale and leaseback deals with ANS, said: "If this ruling is made to

stick it will have severe implications across all companies and all sales and leasebacks."

Although ANS's earnings per share will be reduced as a result of the rulings, the panel's decisions do not affect pre-tax profits for 1995 and 1996, which will not have to be restated.

The most important of the two rulings is on sale and leaseback transactions. ANS must put back onto its own books homes it sold and leased back from Nursing Homes Properties, raising ANS's gearing.

Dr Narinder Singh Dhandra, chief executive of ANS, said the borrowing to develop the homes was non-recourse, so ANS was not liable for it, "but in theory we are now borrowing it".

Only two of ANS's 40 homes were financed in this way, and there were much bigger impli-

cations for some others in the industry, said Dr Dhandra.

He said: "It's a grey area. We have had two or three firms of accountants look at this and Nursing Homes Properties has had Deloitte look. They gave clearance as well." But he believed it was "not worth the hassle" of arguing with the panel.

The other ruling was on joint ventures, under which ANS constructed nursing homes and sold them to companies owned 50:50 by itself and a financial institution such as BZW.

ANS would take credit for half the profit on the transaction. The panel has ruled that in future the joint venture must be treated as a quasi-subsidiary. This does not affect the cash received by ANS or its pre-tax profits, but does hit net profits and earnings per share.

## Gulf Canada ahead in battle for Clyde

Tom Stevenson  
City Editor

The bitterly fought £500m battle for Clyde Petroleum, which closes at lunchtime today, looked to be swinging Gulf Canada's way yesterday after the bidder announced control over 42.5 per cent of the oil explorer's shares. The deadline for acceptances is 1pm today.

Gulf said yesterday it had received acceptances in respect of 45.3 million shares, representing just under 11 per cent of Clyde's equity. In addition it now owns 29.9 per cent, the maximum allowed under takeover Panel rules. A further 1.46 per cent of shares have been pledged to Gulf, but their acceptance is not yet valid.

Today's final count will hinge on the decision of 19.5 per cent shareholder Schroders, which is understood to have

favoured supporting Clyde's management, led by chief executive Roy Franklin, but has kept its own counsel.

Clyde's shares closed 1p lower at 116.5p, below Gulf's final offer of 120p, as the market gave up hope of intervention from a white knight. Despite claims from Clyde that the company was worth much more than Gulf's bid, the shares never rose higher than 123p throughout the 60-day bid timetable.

The battle for Clyde has been acrimonious with both sides using the relative subjectivity of oil company valuation to produce widely differing price tags.

Clyde's fate has been decided by a small handful of shareholders. Only four—Schroders, PDM (which sold out), Norwich Union and Capital Group of the US—held more than 50 per cent of the shares between them.

## Regent Inns can do no wrong as profits rise 71 per cent

Regent Inns is the sort of company that makes novice investors think they've become stock market gurus. Floated at the equivalent of 18p four years ago, Regent's shares have risen in a more-or-less straight line to yesterday's 369p. If only it were always this easy, we'd all be on the beach by now.

Half-year results yesterday showed the good times continuing to roll. Pre-tax profits of £5.99m were 71 per cent higher than a year ago, struck from sales of £20.6m, a 43 per cent increase. Earnings per share of 6.32p were 67 per cent higher and the dividend rose almost as fast, up 59 per cent to 1.0p.

Behind those figures lay a healthy growth in like-for-like sales of 11 per cent, so the company is not simply buying growth but creating it from within. On top of that, expansion is accelerating with nine openings in the first six months likely to be joined by another 11 in the second half. That will take the group to 100 outlets and the target for four years from now is 200.

Trading since the end of the first half has continued strongly and like-for-like sales are once again 10 per cent better. Plainly this is not sustainable indefinitely, but Regent is still firing on all cylinders. Margins are still rising, gearing is a manageable 47 per cent, more important, interest and dividend cover is very comfortable.

What is striking about Regent's success is that it doesn't appear to reflect any great imaginative leap or stunning new invention. The company simply runs pubs, opening new ones at a steady rate in good street locations, often converting old banks or post offices. The difference would seem to be just that it does it better than anyone else.

As free houses, Regent's pubs offer a good selection of popular beers. As crosses between traditional pubs and wine bars, women like them. People like the fact that, unlike arch-rival JD Wetherspoon, Regent's pubs are not obviously part of a chain. It is a formula that works.

That's important for investors, because one of the common features of the handful of truly great growth stocks the market throws up each year is the ability to close a formula and quickly roll it out nationally. Regent is starting a concerted push into the Mid-

### THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

lands and North from its London heartland, so if the formula travels the extraordinary growth of the past few years could continue.

The trouble with high-growth shares such as Regent is that they always look too expensive so potential investors are put off by a sky-high rating, only to regret it within weeks. Two months ago Regent was 300p and looking pricey; now it is 20 per cent higher.

On the basis of house broker Kleinwort Benson's forecast of £11.7m profit this year and £15.5m next time, the shares stand on a prospective price/earnings ratio of 30, falling to 23, investing at this level requires a leap of faith in Regent's ability to maintain momentum, but existing shareholders should hold on.

### Allied Carpet's roll stalls

Allied Carpets has enjoyed a good run since it came to the market last summer. Priced competitively at 215p due to the difficult new issues market at the time, the shares shot to 320p by January. Since then, however, they have been drifting and yesterday's half-year statement did little to change the market's views that there are tough times ahead.

There was nothing wrong with the profits, up a very respectable 24 per cent to £9m, but there were questions about the strategy. The key issue is that Allied has cut its advertising spending by 25 per cent to concentrate more on in-store promotions.

Management maintains that the Allied name is so strong that carpet shoppers are likely to drop by anyway, even if only to make comparisons. It is therefore cutting prices in stores to drive sales rather than worrying too much about enticing shoppers in.

So, while gross profit margins have fallen by 2 percentage points, expenses have dropped by the same amount leaving the operating profit margin unchanged. With like-for-like sales up 13 per cent the strategy seems to be working and Allied claims its advertising spend is still the highest in the sector. But it is

risky. There is a danger that shopper numbers will fall and Allied could find margins under pressure as it battles against the independent retailers, which are being aggressive on prices.

In addition to the 212 Allied stores, the company is expanding its lower price Carpetland format. This will compete head on with Lord Harris's Carpetright though Allied does not see this as a problem. With a 14 per cent share of the UK carpet market, Allied claims it will have around 25 per cent by 2000. The share is supposed to come from the independents, which still account for more than half the market.

The shares shed a further 6.5p to 296.5p yesterday and on NatWest Securities full-year forecast of £18m Allied shares trade on a chunky forward rating of 22. This is higher than the highly regarded Carpetright and is starting to look expensive.

### Low & Bonar takes the wrap

Volatile raw material prices and customer destocking have taken their toll on the *grandes dames* of the packaging world as a string of downbeat trading statements from Rexam, Arjo Wiggins Appleton and De La Rue attest.

Dundee-based Low & Bonar flagged sluggish results for the year to November with its own profits warning in October which wiped 15 per cent of the share price.

In the event pre-tax profits dipped fractionally from £52.3m (£52.4m) on sales 5 per cent lower at £420m. Earnings per share advanced a mere 2 per cent though the well-covered dividend was increased by 11 per cent to 14.7p.

The main problem was in the core salvage wrap business where bad weather conditions, increased competition and higher raw material prices knocked about £3m off the bottom line.

To address the sales decline chief executive Jim Heilig promises a series of customer initiatives, one of which involves rolling out Kellogg's packaging operations into continental Europe.

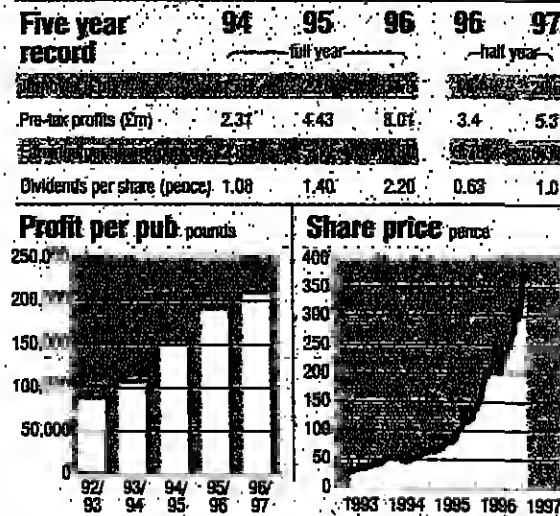
Low & Bonar supplies all the carton board for all of Kellogg's cereal business in the UK from the US giant's Manchester base.

Mr Heilig is also keen on more acquisitions, having spent £32m in the last four months alone. The balance sheet should be able to support such expansion as gearing is low at 7 per cent. But with a currency translation hit of £3m expected this year—just over half of sales are overseas—Low & Bonar will have to run hard just to stand still.

Pre-tax profits of £56.5m put the shares on a forward p/e ratio of 11 with the shares up 26.5p to 424.5p. That's undemanding, but the stock market can be very unforgiving about companies which lose their momentum. Best watched from the sidelines.

### Regent Inns : at a glance

Market value: £312m, share price 369p



## GUS and British Land in talks

Tom Stevenson

British Land and Great Universal Stores confirmed speculation they are discussing a joint venture into which GUS would inject its £900m property portfolio that John Ritblat's property company would manage. The news sent shares in both companies higher.

Analysis welcomed the move, saying GUS's property assets had been under-exploited and pointing to the potential of an off-balance sheet joint venture to free cash for better-yielding projects. The deal is further evidence that new chairman Lord Wolfson is addressing every aspect of Britain's leading mail-order group.

Soon after he took control of GUS at the end of last year, he launched a £1bn bid for Experian, one of America's largest business information groups. Funding its property venture with debt could realise funds for other acquisitions.

The proposed venture is being seen as further evidence of Mr Ritblat's entrepreneurial skills ahead of an expected upturn in the fortunes of the retail property sector. Property is widely expected to be one of the best investment asset classes this year and, on the back of the consumer boom, retail is seen as the industry's hottest area.

GUS shares jumped 14.5p yesterday to 650p while British Land closed 4.5p higher at 522p.

Neither side would give any further details of the proposed deal yesterday.

### IN BRIEF

• British Aerospace has reduced its holding in Orange from 21.91 to 21.11 per cent by selling 9.5 million shares to the mobile phone company's main shareholder, Hutchinson Whampoa. The stake in Orange held by Hutchinson is now 49.02 per cent. Orange shares eased 3p to 215p.

• CCL, the clay pigeons specialist, returned to the dividend list following a big increase in annual profits. Before tax, the company's profits rose by 57 per cent to £243,000. Earnings per share climbed by 44 per cent to 22.2p. The payout is 2.5p per share. A company spokesman said: "CCL now has sufficient manufacturing capacity to expand by pursuing export opportunities."

• Caldwell Investments is placing 500,000 shares at 58p each with investors to fund the projected development of the group's business. In particular, the new capital raised is to fund the tooling costs and interventional patent applications associated with the group's recent development of the UK-patented "Lawtex Clamp". This development is a complete redesign of the existing clamp and has at a pre-production stage been very well received by large customers, who have indicated an intention to order a number of new products using the new design, the company said. The full launch will be at the International Baby and Teenager Fair in Cologne in August.

• Laford Group has acquired Fergom of Italy for £2.8m cash. Fergom is a manufacturer of anti-vibration products for the Italian automotive industry, and had sales last year of £7.2m.

• TBI has exchanged contracts with Hampton Trust for the £19.4m purchase of land at the Percy Street Estate, London W1. Gresham House, Clarendon Road, Watford and 56/62 Muswell Hill Broadway, London. The Percy Street purchase comprises the majority of the south side of the Percy Street Estate of primarily offices but with some mixed uses and is of approximately 77,000 sq ft and produces rental income in excess of £1.2m per annum. Gresham House is an office building of approximately 41,000 sq ft and produces annual rental income of £300,000. TBI said 56/62 Muswell Hill Broadway comprised a retail shop and produced rental income of £27,000 per annum.

• AlliedSignal Automotive said it and its global truck brake systems partner Knorr-Bremse had agreed to purchase the heavy-truck air brake systems business of Echlin in the US and Europe. They will also buy Echlin's US-based commercial vehicle friction materials and after-market brake shoe remanufacturing operations. The businesses to be acquired employ 2,300 and have sales of around £200m. Terms of the transaction were not disclosed.

### Company Results

	Turnover £	Pre-tax £	EPS	Dividend
Allied Carpets (p)	133.5m (110.3m)	9.0m (7.3m)	6.7p (5.5p)	2.5p
GCL Holdings (p)	2.6m (2.1m)	242,506 (194,178)	22.2p (15.4p)	2.5p
Law & Bonar (p)	420.4m (431m)	54m (52.4m)	36.63p (36.01p)	14.7p (13.2p)
Regent Inns (p)	20.6m (14.4m)	5.99m (3.51m)	6.32p (3.78p)	1.0p (0.63p)

(p) - Pence (m) - million (£) - £100m

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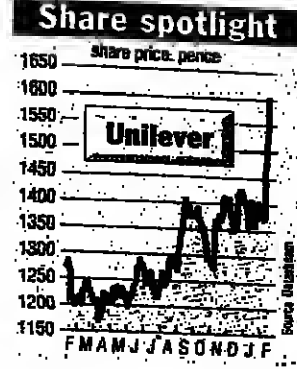


# market report / shares

## Overseas investors create turbulence for Rolls-Royce

**Data Bank**

FTSE 100	4337.8	-3.2
FTSE 250	4606.5	+0.3
FTSE 350	2140.9	-1.1
SEAQ VOLUME	726.1m shares	
50,758 bargains		
Gifts Index	96.30	-0.15



Rolls-Royce hit more turbulence following its disclosure that overseas investors had increased their shareholdings to 29.2 per cent. The shares, already casualties of sterling's strength, fell 3.5p to 220p, lowest since last summer.

The aero-engine group and British Aerospace have to keep their foreign shareholdings below 29.5 per cent. The companies and various other interested parties are struggling to get the limit abolished.

In the past, when shareholdings have exceeded the ceiling there has been an enforced selling of foreign owned shares. Such action has caused widespread discontent as overseas investors invariably suffered losses.

The restriction on overseas interests has existed since BAE and Rolls were privatised. At one time it was as low as 15 per cent but after intense lobbying was lifted to the present level.

The Government imposed the ceiling to ensure the two groups remain under British control. In addition to restricting overseas shareholdings the Government exerts further influence through a "golden share" at the two groups.

The pound's performance and worries about possible compensation have already pulled Rolls back from its 267.5p peak. The shares could go even lower if the foreign ceiling is breached and overseas investors are once again forced to dump shares. Such a development will again sour investor relations.

BAE, where foreign shareholdings stand at a less threatening 26.52 per cent, rose 2.5p to 1,250p.

The stock market had a surprisingly active session, considering New York was closed. Footsie recouped most of its early 21.9 points fall, ending 3.2 off at 4,337.8.



**MARKET REPORT**  
**DEREK PAIN**  
stock market reporter of the year

Lloyds TSB kept the banking sector on its toes. After meeting analysts its shares rose 15p to 518.5p.

However, Barclays, figures today, fell 16.5p to 1,199.5p. Reports of a second-half setback at its BZW securities arm did much of the damage. A rumour Barclays planned to buy a stake in Banque Nationale de Paris, possibly announcing the acquisition today, also unsettled the shares.

Unilever was - again - the best performing blue chip, up 67p to a 1,604.5p peak. After last week's positive performance by the UK side there was sudden interest in the Netherlands when Morris

Tabaksblat, head of the Dutch end of the detergent and food giant, said cash would be handed to shareholders if suitable acquisitions were not found.

Unilever intends to sell its speciality chemical side and hit the takeover trail. Reckitt & Colman, little changed at 766.5p, and Smith & Nephew, off 7.5p at 188.5p, are regarded as the most likely UK targets. Another name in the frame is US group Colgate Palmolive.

British Gas disappeared leaving its army of Sids with holdings in BG and Centrica. With Merrill Lynch putting a 40p target price on Centrica the shares slumped 10.25p to 65.25p. Seaq putting volume at

a remarkable 54.51 million. Last week, in their when-issued form, the shares were in demand on takeover hopes. The other half, BG, rose 2.5p to 174.5p with turnover put at 19.76 million.

Today, grey market dealings are due to start in Hanson and Energy Group in a when issued form. Official dealings commence on Monday.

Hanson fell 1.75p to 90.5p. Yamachi say Energy shares are a buy up to 610p.

Expected stockbroker circulars had contrasting impacts. Henderson Crosthwaite is preparing a buy recommendation on Rascal Electronics, up 3p to 289p, and Greig Middleton is thought to have adopted a bearish stance on Scotia, the pharmaceutical group, lowering the shares 25p to 679.5p.

Railtrack, ahead of this week's investment presentation, gained 10.5p to 393.5p.

Securicor gained 8p to 311.5p on stories BT was once again seeking Whitehall clearance to take full control of the Cellnet mobile telephone business. BT has 60 per cent with Securicor accounting for the rest. The Securicor interest is estimated to be worth up to £1.6m.

Enterprise Oil spurted 11p to 649.5p as more analysts made positive noises and the group moved towards developing its big Italian oil field.

After Friday's sharp fall, which prompted its dramatic exclusion from Footsie, Williams Holdings ended 1.5p down at 209p after 294.5p. Target Chubb Securicor fell 3p to 421.5p despite talk of a counter bid.

Gowings, the garage and fast food group, jumped 10p to 108.5p. There was talk of investment meetings. Last year Guinness Peat signalled a 90p share offer but backed away when Gowings resisted.

Little Ashurst Technology had an eventful session, giving an early gain to end 15p off at 80p. On Friday the shares bounced 29.5p following a tie-up with a US baseball bat maker. The sudden interest is no doubt welcome at Deutsche Morgan Grenfell which, thanks to the investment inclinations of its former fund manager Peter Young, built a near 50 per cent shareholding. Morgan Grenfell is still sitting on most of the Young stake.

Technoplast, an Israeli plastics group, made a firm debut, gaining 5p to 128p from its placing. Today Zag, a Nasdaq-traded share which is Technoplast's major customer, is expected to report a sharp profits advance.

Wembley scored a 14p gain to 397p on talk of imminent US deals, possibly disposals.

**Share Price Data**

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Other details: Ex rights & ex-dividend a Ex at a United Securities Market Suspended (up Party Paid per M Paid Shares & AM Stock Source: FT Information)

**The Independent Index**

The index allows you to access real-time share prices by phone from London Stock Exchange. Simply dial 0891 233 333, and when prompted to do so, enter the 4-digit code printed next to each share. To access the latest financial reports dial 0891 233 333 followed by one of the two-digit codes below.

FTSE 100 - Real-time	00	Stirling Rates	04	Privatisation Issues	36
Open 4338.8 down 3.2	01	UK Company News	05	Water Shares	37
14.00 4337.8 down 13.0	02	Wall St Report	06	Electricity Shares	40
10.00 4321.0 down 20.0	03	Foreign Exchange	07	High Street Stocks	41

**Market leaders: Top 20 volumes**

Stock	Volume	Stock	Volume	Stock	Volume	Stock	Volume
Shell	545,000	Wm Morris	60,000	Seam	64,000	Unilever	50,000
BP	380,000	BP	60,000	ASDA Group	60,000	Barton	50,000
Heaven	300,000	Rail	70,000	Shrewsbury	60,000	Barco	50,000
Heaven 139	200,000	National Grid	60,000	Shedding	60,000	BT	50,000
BT	50,000	General Elec	60,000	Chubb	60,000	Risk Report	50,000

**FTSE 100 index hour by hour**

Open 4338.8 down 3.2	11.00 4322.8 down 16.4	14.00 4321.0 down 13.0
12.00 4327.8 down 11.0	13.00 4331.0 down 0.8	15.00 4332.7 down 2.3
10.00 4321.0 down 20.0		16.00 4335.2 down 2.5
		Close 4337.8 down 3.2

Alcoholic Beverages	Banks, Merchant	Banks, Retail	Breweries, Pubs & Rest	Building Construction	Building Materials	Chemicals	Diversified Industrials	Engineering Vehicles	Engineering	Extractive Industries	Food Manufacturers	Gas Distribution	Health Care	Household Goods	Insurance	Investment Companies	Investment Trusts	Leisure & Hotels	Life Assurance	Media	Metals	Oil Exploration	Oil Integrated	Other Financial	Pharmaceuticals	Printing & Paper	Property	Retailers, Food	Retailers, General	Services	Support Services	Tobacco	Transport	Utilities	Water
Alcoholic Beverages	Banks, Merchant	Banks, Retail	Breweries, Pubs & Rest	Building Construction	Building Materials	Chemicals	Diversified Industrials	Engineering Vehicles	Engineering	Extractive Industries	Food Manufacturers	Gas Distribution	Health Care	Household Goods	Insurance	Investment Companies	Investment Trusts	Leisure & Hotels	Life Assurance	Media	Metals	Oil Exploration	Oil Integrated	Other Financial	Pharmaceuticals	Printing & Paper	Property	Retailers, Food	Retailers, General	Services	Support Services	Tobacco	Transport	Utilities	Water

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Oil Exploration	Oil Integrated	Other Financial	Pharmaceuticals	Printing & Paper	Property	Retailers, Food	Retailers, General	Services	Support Services	Tobacco	Transport	Utilities	Water
Oil Exploration	Oil Integrated	Other Financial	Pharmaceuticals	Printing & Paper	Property	Retailers, Food	Retailers, General	Services	Support Services	Tobacco	Transport	Utilities	Water



# When the global market is just a free telephone call away

It is almost impossible to overstate the importance of that pact signed by 68 countries on Saturday at the World Trade Organisation (WTO) which will liberalise the world telecommunications market.

The downward pressure on phone charges, particularly international ones, has been enormous from call-back services and most recently from Internet telephony. But there is a difference between a world where buyers can obtain low charges by resorting to complicated schemes—even a call-back account takes time to set up—and low charges for everyone, but everyone.

How low? Well, the US representative at the talks, Charles Barshefsky, reckoned that on average international phone charges would fall by 80 per cent. That may be an underestimate. The actual cost of an international phone call to the phone company is a fraction of a penny: given the vast overcapacity of the fibre-optic cables across the Atlantic the marginal cost is zero. At some stage, now presumably by the turn of the century, this will be reflected in the pricing structure. Voice traffic will be more like data traffic on the Internet, where there is no relation between cost and distance.

It is impossible to envisage the scale of the changes that this will have on the world economy. We can imagine a world of low charges, where it costs no more to call a supplier in Santa Monica than it does to ring one in Salford; or a world where speaking to family in Japan is in effect free. But it is much harder to think through the social and economic consequences of this step change in costs, for what is happening is much more dramatic than any other decline in costs in human history.

The chart shows the falling cost of four communications technologies over the last 80 years. The two mechanical technologies, ocean freight and air-transport, have had enormous economic and social consequences, but these have been spread out over many years. For example, the northern European diet was transformed by the former, but it took the best part of half a century for that to happen. The cheap package holiday business was created by the latter, but that took 15 years to develop.

With telecommunications the fall is much faster, not so much in satellite charges which stuck in the 1980s, though they may now be falling again, but in international phone costs. Note that these charts, from the World Bank, are 18 months old.

By now the cost of the transatlantic phone call has fallen by a further order of magnitude. We are getting a much larger change, in a much shorter period of time, than ever before. So what might the consequences be? Here are five notions.

One: In five years most businesses will have global 0800 numbers. In other words, the cost of a call to a business from anywhere in the world will normally be carried by the business itself. In the US half the calls to businesses are on 0800 basis. Global 0800 numbers have just been introduced in the last month, but while international calls remain expensive it is rather dangerous to publish such a number: a small business does not want



Hamish McRae

There will be no fringe countries... With manufacturing, people have to move to the jobs; with screen-based services the jobs can move to the people.

to be hit by too many calls from Japan, unless a reasonable proportion have an order close behind.

But the attraction of a business using a single free number, for use from anywhere in

the world, is enormous. If costs come down enough, and most companies have such a number, anyone producing easily distributed products can reach a global market much more easily.

Two: Open lines: the idea that a small business, even a household, should keep an open line for its computers, would still seem a luxury outside of the US. But if telecom charges come down enough the normal way for a household to be linked to the rest of the world may well be through a continuous connection. If most people, at least in the developed world, have computers which are continuously connected to networks, it becomes possible to deliver a whole string of services to them for no additional cost.

Three: Fringe countries. There will be none. Any country, anywhere in the world, will be able to communicate with any other at zero marginal cost. It will be able to deliver any screen-based service at zero marginal cost, with the result that we might find financial or entertainment services coming from anywhere in the world. Location of industries which can deliver their output over the wires—software, computer games, audiovisual entertainment, financial services, etc—will therefore migrate to places where there

is the best-value human capital available.

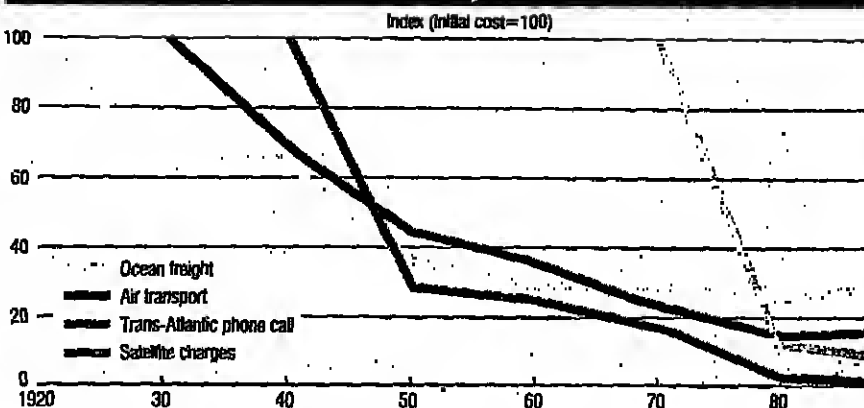
With manufacturing, people have to move to the jobs; with screen-based services the jobs can move to the people. But the jobs will only come if the people have the appropriate skills. Despite the frictions in manufacturing—the time it takes to build a plant and train the people to run it—we have in the last 30 years seen a massive migration of manufacturing jobs around the world. Expect now to see a similar, but much more rapid, migration of service industry jobs.

Four: Trading blocs. Expect them to become less important, not more. Present popular wisdom is that the world is gradually moving towards three trading blocs—American, European and East Asian—and that trade will tend to be ordered by negotiation between these. But if any country can communicate with any other for free (or rather as near free as makes no difference) and an increasing proportion of trade is simply shot down the wires, these blocs are irrelevant. As Danny Quah has pointed out, most recently in the February Bank of England Quarterly Bulletin, as countries grow richer an increasing proportion of their trade is "weightless", in areas like information technology. Arguably, edifices like North American free-trade association, Nafta, or even the European Union, are irrelevant in a weightless world.

Five: If very cheap telecommunications level the field between countries, they also level it between companies. If size and location are less important for the former, they will also become less important for the latter. Small business and sole traders will be able to enjoy many of the advantages of larger ones, just as small businesses can at present use the Internet just as effectively as large.

For many people, that will be the biggest liberation of all.

The falling costs of transport and communications



# Damon Hill races away with Everton's funding

## PEOPLE & BUSINESS



It has been pointed out to me that Brian Souter, chairman of Stagecoach (right), bears a passing likeness to Bob Mortimer, the shorter one in the comedy duo Reeves & Mortimer (left). In the words of *Private Eye*, are they by any chance related? In the words of *Private Eye*, are they by any chance related? In the words of *Private Eye*, are they by any chance related?

Danka, the photocopying business, has just cancelled its sponsorship deal with Everton. And the question is why. Some press reports over the weekend suggested that Danka was less than impressed with Everton's footballing success and their sale of star winger Andrei Kanchelskis to Fiorentina.

A spokesman for Danka has a different explanation: "We signed a four-year deal with Everton in 1995 with an option to break off after two years. The main reason we didn't renew the deal with Everton was that we've just signed a £7m sponsorship with Damon Hill's new Formula One team, TWR Arrows."

"We've been very pleased with Everton over the past two years, but now that we've bought Kodak's global photocopy operation [for \$600m last December] we want a more world-wide sponsorship presence."

So it's Damon one, "the Toilets" nil.

Hugh Corbett, the man who built and sold the Slug and Lettuce chain of theme pubs, decided to buy his wife a Valentine's Day gift with a difference. Instead of the usual flowers, Mrs Corbett received a sheep.

Mr Corbett says the original idea was to get her a lamb, but then he went one better and got her a ewe which is pregnant with two lambs. The lambs are due to pop in about two weeks' time. So how did his wife react to the gift? "About as well as the time I bought her a beehive full of bees. This went down a bit better. What could be more tasty than two Cotswold spring lambs? When they arrive in a fortnight they'll end up on a plate."

Mr Corbett, who is building a "Tup" chain of pubs with a sheep theme, adds: "I suppose I've got an odd sense of humour."

Britannia Life, the mutual life insurance group, has just

placed a series of ads in magazines which proclaim: "It will take more than £60m to get this Britannia to float." The ad goes on to say that while the new Royal yacht may be surrounded by controversy, "at least the future of one Britannia is clear".

Following the demutualisation proposals by Scottish Amicable, not to mention the mad rush to dump mutuals by the bigger building societies, this seems a brave claim by the insurance company. No doubt corporate finance teams in the City are already planning a boarding party to make Britannia's policyholders an offer they can't refuse.

Speaking of hostile bids, Undervalued Assets Trust launched a £47m offer for Pilot Investment Trust on Friday. UAT is part of Colin McLean's stable at Scottish Value Management and is advised by SBC Warburg, while PIT is managed by Rutherford Asset Management and chaired by Sir Peter Michael, the co-founder of Classic FM. Not everything has gone

smoothly for UAT. Its offer consists of seven new UAT shares for every nine shares in PIT. In its announcement to the London Stock Exchange, UAT said its share price on 11 February was 58.5p. In fact it should have read 158.5p—not the way to sway PIT's shareholders.

Congratulations to Jane Ageros, 32, who has been appointed head UK spin doctor at investment banking giant Merrill Lynch for a package rumoured to be well north of £200,000 a year.

Ms Ageros has been with Abbey National for the past eight years, latterly as head of corporate affairs. Although PR people are notoriously shy about their pay levels, I am informed she won't have been on more than a piddling £70,000 at the Abbey. Abbey's chief executive, Peter Birch, is commendably keen on cost containment, so it's doubtful he tried hard to equal Merrill's wallet-bulging offer. Break out the Bolshoi!

John Willcock

## Foreign Exchange Rates

Country	Spot	1 month	3 months	D-Mark	Spot	1 month	3 months
US	1.698	1.69	1.69	1000	24.23	24.23	24.23
Canada	2.285	2.28	2.28	1000	70.73	70.73	70.73
Germany	2.276	2.27	2.27	1000	30.47	30.47	30.47
France	2.276	2.27	2.27	1000	28.28	28.28	28.28
Italy	2.272	2.27	2.27	1000	56.80	56.80	56.80
Japan	201.9	201.9	201.9	1000	149.47	149.47	149.47
Spain	142.1	142.1	142.1	1000	16.48	16.48	16.48
Belgium	367.7	367.7	367.7	1000	20.17	20.17	20.17
Denmark	10.475	10.475	10.475	1000	32.82	32.82	32.82
Netherlands	3.603	3.603	3.603	1000	36.37	36.37	36.37
Ireland	10.259	10.259	10.259	1000	3.74	3.74	3.74
Sweden	10.919	10.919	10.919	1000	50.25	50.25	50.25
Switzerland	2.252	2.252	2.252	1000	64.56	64.56	64.56
Australia	2.252	2.252	2.252	1000	18.14	18.14	18.14
Hong Kong	12.259	12.259	12.259	1000	30.35	30.35	30.35
Malaysia	4.024	4.024	4.024	1000	2.7	2.7	2.7
New Zealand	2.252	2.252	2.252	1000	80.85	80.85	80.85
Saudi Arabia	6.037	6.037	6.037	1000	97.68	97.68	97.68
Singapore	2.230	2.230	2.230	1000	2.230	2.230	2.230

## Other Spot Rates

Country	Sterling	Dollar	Country	Sterling	Dollar
Argentina	16.89	0.969	Nigeria	130.69	80.780
Australia	16.89	1.002	Oman	60.226	0.350
Brazil	16.89	1.043	Pakistan	64.132	40.079
China	15.435	8.254	Philippines	42.629	26.501
Egypt	5.435	3.400	Portugal	275.891	170.50
Finland	8.438	3.231	Qatar	5.881	3.645
Ghana	28.113	17.001	Russia	6.471	56.701
Greece	43.522	26.070	South Africa	7.395	4.430
India	50.525	33.570	Taiwan	44.077	27.590
Kuwait	0.491	0.337	UAE	5.838	3.673

Forward rates quoted high to low are at a discount; rates quoted low to high are at a premium.

\*Dollar rates quoted as reciprocals.

For the latest foreign exchange rates call 0891 223 3033.

Calls cost 50p per minute (day rate) 45p other times.

## Interest Rates

Country	1yr	2yr	3yr	5yr	10yr	Country	1yr	2yr	3yr	5yr	10yr
UK	6.00%	5.75%	5.50%	5.25%	5.00%	US	5.00%	4.75%	4.50%	4.25%	4.00%
France	5.00%	4.75%	4.50%	4.25%	4.00%	Germany	5.00%	4.75%	4.50%	4.25%	4.00%
Italy	7.50%	7.25%	7.00%	6.75%	6.50%	Spain	5.00%	4.75%	4.50%	4.25%	4.00%
Japan	5.00%	4.75%	4.50%	4.25%	4.00%	Sweden	5.00%	4.75%	4.50%	4.25%	4.00%
Netherlands	5.00%	4.75%	4.50%	4.25%	4.00%	Belgium	5.00%	4.75%	4.50%	4.25%	4.00%
Denmark	5.00%	4.75%	4.50%	4.25%	4.00%	Portugal	5.00%	4.75%	4.50%	4.25%	4.00%
Sweden	5.00%	4.75%	4.50%	4.25%	4.00%	Switzerland	5.00%	4.75%	4.50%	4.25%	4.00%

## Bond Yields

Country	1yr	2yr	3yr	5yr	10yr	Country	1yr	2yr	3yr	5yr	10yr
UK	6.00%	5.75%	5.50%	5.25%	5.00%	US	5.00%	4.75%	4.50%	4.25%	4.00%
France	5.00%	4.75%	4.50%	4.25%	4.00%	Germany	5.00%	4.75%	4.50%	4.25%	4.00%
Italy	7.50%	7.25%	7.00%	6.75%	6.50%	Spain	5.00%	4.75%	4.50%	4.25%	4.00%
Japan	5.00%	4.75%	4.50%	4.25%	4.00%	Sweden	5.00%	4.75%	4.50%	4.25%	4.00%
Netherlands	5.00%	4.75%	4.50%	4.25%	4.00%	Belgium	5.00%	4.75%	4.50%	4.25%	4.00%
Denmark	5.00%	4.75%	4.50%	4.25%	4.00%	Portugal	5.00%	4.75%	4.50%	4.25%	4.00%
Sweden	5.00%	4.75%	4.50%	4.25%	4.00%	Switzerland	5.00%	4.75%	4.50%	4.25%	4.00%

## Money Market Rates

Country	1yr	2yr	3yr	5yr	10yr	Country	1yr	2yr	3yr	5yr	10yr
UK	6.00%	5.75%	5.50%	5.25%	5.00%	US	5.00%	4.75%	4.50%	4.25%	4.00%
France	5.00%	4.75%	4.50%	4.25%	4.00%	Germany	5.00%	4.75%	4.50%	4.25%	4.00%
Italy	7.50%	7.25%	7.00%	6.75%	6.50%	Spain	5.00%	4.75%	4.50%	4.25%	4.00%
Japan	5.00%	4.75%	4.50%	4.25%	4.00%	Sweden	5.00%	4.75%	4.50%	4.25%	4.00%
Netherlands	5.00%	4.75%	4.50%	4.25%	4.00%	Belgium	5.00%	4.75%	4.50%	4.25%	4.00%
Denmark	5.00%	4.75%	4.50%	4.25%	4.00%	Portugal	5.00%	4.75%	4.50%	4.25%	4.00%
Sweden	5.00%	4.75%	4.50%	4.25%	4.00%	Switzerland	5.00%	4.75%	4.50%	4.25%	4.00%

## Tourist Rates

Country	1yr	2yr	3yr	5yr	10yr	Country	1yr	2yr	3yr	5yr	10yr
UK	6.00%	5.75%	5.50%	5.25%	5.00%	US	5.00%	4.75%	4.50%	4.25%	4.00%
France	5.00%	4.75%	4.50%	4.25%	4.00%	Germany	5.00%	4.75%	4.50%	4.25%	4.00%
Italy	7.50%	7.25%	7.00%	6.75%	6.50%	Spain	5.00%	4.75%	4.50%	4.25%	4.00%
Japan	5.00%	4.75%	4.50%	4.25%	4.00%	Sweden	5.00%	4.75%	4.50%	4.25%	4.00%
Netherlands	5.00%	4.75%	4.50%	4.25%	4.00%	Belgium	5.00%	4.75%	4.50%	4.25%	4.00%
Denmark	5.00%	4.75%	4.50%	4.25%	4.00%	Portugal	5.00%	4.75%	4.50%	4.25%	4.00%
Sweden	5.00%	4.75%	4.50%	4.25%	4.00%	Switzerland	5.00%	4.75%	4.50%	4.25%	4.00%

## Life Financial Futures

Contract	Settlement price	High/Low for day	Est. Conts	Open Interest
Long Gilt	103.15	103.15	103.15	103.15
Short Gilt	103.15	103.15	103.15	103.15
Long Euro	103.15	103.15	103.15	103.15
Short Euro	103.15	103.15	103.15	103.15
Long Yen	103.15	103.15	103.15	103.15
Short Yen	103.15	103.15	103.15	103.15

## Life FTSE Index Option

Contract	Settlement price	High/Low for day	Est. Conts	Open Interest
Long Gilt	103.15	103.15	103.15	103.15
Short Gilt	103.15	103.15	103.15	103.15
Long Euro	103.15	103.15	103.15	103.15
Short Euro	103.15	103.15	103.15	103.15
Long Yen	103.15	103.15	103.15	103.15
Short Yen	103.15	103.15	103.15	103.15

## Commodity Indices

Contract	Settlement price	High/Low for day	Est. Conts	Open Interest
Long Gilt	103.15	103.15	103.15	103.15
Short Gilt	103.15	103.15	103.15	103.15
Long Euro	103.15	103.15	103.15	103.15
Short Euro	103.15	103.15	103.15	103.15
Long Yen	103.15	103.15	103.15	103.15
Short Yen	103.15	103.15	103.15	103.15

## Latest Unit Trust Prices

Contract	Settlement price	High/Low for day	Est. Conts	Open Interest
Long Gilt	103.15	103.15	103.15	103.15
Short Gilt	103.15	103.15	103.15	103.15
Long Euro	103.15	103.15	103.15	103.15
Short Euro	103.15	103.15	103.15	103.15
Long Yen	103.15	103.15	103.15	103.15
Short Yen	103.15	103.15	103.15	103.15

## Financial Times Information

Contract	Settlement price
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# Square-bashing fear for the 'Haydock 21'

Racing  
GREG WOOD

The drivers of London's tourist buses may wish to take a diversion past Portman Square tomorrow morning, to allow their passengers the chance to witness a slice of old England at first hand.

Twelve jockeys, representatives of the group now known as the Haydock 21, will appear at Jockey Club headquarters at 10.30 sharp to answer a charge that they wilfully exercised the right to withdraw their labour, on the grounds that to continue working would be unacceptably dangerous.

This shameful behaviour can no longer be punished by hanging or transportation to the colonies — much, you suspect, to the dismay of some of the Club's cruetier members — but the possibility remains that some very well known names, including Frankie Dettori and Pat Eddery, will be fined for putting their personal safety ahead of other considerations.

Haydock Park and the events of 16 October last year may never have quite the resonance of Tolpuddle or Peterloo, but since four months have passed since the "crime" was committed, the details have repetition. After the first race of the day, many of the riders involved felt that the ground on the home turn was waterlogged and unfit for racing. The local stewards, having inspected the course, disagreed, but when it was announced that the meeting would proceed as planned, the jockeys due to ride in the next race refused to leave the weighing room, and the officials had to abandon the card.

An unpleasant postscript soon developed. Some of the trainers and owners of runners in subsequent races criticised the jockeys, in tones rich with echoes of the Victorian approach to industrial relations.

"These jockeys are getting like footballers," was a typical comment, "they're just too big for their boots."

Since many of the riders concerned dispersed to distant corners of the earth shortly afterwards, it has taken a long time for the Jockey Club to set a date for its disciplinary inquiry into their actions. Even so, barely half of those involved will be able to appear in person, though the importance of which with which view the case is demonstrated by Dettori's decision to return from Dubai for the hearing. Eddery, who succeeded Dettori as champion jockey last season, will also be there.

The very fact that the Club seems intent on accusation rather than investigation is irritating to many since, as Michael Caulfield, secretary of the Jockeys' Association, pointed out yesterday, "it is only the jockeys on trial, and only they who face public censure."

Caulfield would have preferred a broader inquiry such as that which followed the void Grand National in 1993. "That would have had the full co-operation of the Jockeys' Association and could have led to an agreement on how to avoid similar problems in the future," he said. "Sadly we now find ourselves in a position of conflict,

but we have a thoroughly prepared case and will vigorously defend the charges. We have absolute confidence that the jockeys have not breached any of the Rules of Racing."

The Jockey Club's response is that all relevant factors will be taken into account. On 15 November, when the decision to hold an inquiry was announced, the "Disciplinary Committee's" chairman, Christopher Hall, said: "We will investigate in detail, examine the way in which the meeting was conducted, determine whether all Jockey Club procedures were correctly followed and, if not, identify what went wrong. To say it is just

the jockeys who are on trial is incorrect."

None the less, in choosing a format for the inquiry which could result in fines for the riders but not for the stewards, the Jockey Club has laid itself open to the charge of supporting the bosses against the upstart workers. The only precedent for the events at Haydock occurred in July 1989, when 11 jockeys who refused to ride at Beverley were fined between £250 and £750. A great deal has happened to the Jockey Club since then, but a similar outcome tomorrow would indicate that the hearts and minds of the turf's elder statesmen are as reactionary as ever.

## Augin's anguish ends in victory

Sailing  
STUART ALEXANDER

A tired but elated Christophe Augin stepped ashore in Les Sables d'Olonne yesterday after winning the Vendée Globe single-handed, non-stop round the world race in a record time. But after winning his third such race — he already has two BOC victories — the 38-year-old was also decided that enough is enough.

"Solo round the world is over now for me," he said. "They have taken 10 years of my life and that is a lot. I would like now to sail in a crew and I am dreaming of a Whitebread."

His 60th birthday occurred a time of 105 days 20 hours 31 minutes and 23 seconds, three days 12hr 17min 37sec inside the record of 109 days 8hr 49min set by Titiou Lannauze in 1989 and Augin was glad it was over. "After nearly 106 days of solitude, I want everything I have been missing while at sea," he said. "First, to see my family, then to enjoy some good food, to see people and talk with my friends. I think you cannot come back from something like the Vendée Globe without being changed. It will take a couple of months to return to life as it was before."

The Challenge president, Serge Oetiker, said the Royal New Zealand Yacht Squadron had officially accepted the Swiss entry for the America's Cup. If the Swiss were to win the Cup, any defence would be mounted at Hyères on France's Mediterranean coast.

## Inaugural title heads for Cardiff

Ice hockey  
STEVE PINDER

Barring some late misdeeds resulting in points being deducted, Cardiff Devils will be the inaugural Superleague champions.

After their 7-4 victory at Newcastle Cobras at the weekend, Paul Heavys's Welsh side will be champions if they can pick up two points from their home matches against Manchester Storm and the Cobras. Even if they lost both and Sheffield Steelers won their last three games, the two sides would finish level on points but splitting them on the basis of the results of matches between the pair would mean Cardiff winning.

Nottingham Panthers moved up to third place courtesy of Neil Morgan's overtime winner at Basingstoke Bison. In a see-saw game, Ashley Tait gave Nottingham the lead, Basingstoke hit back to lead 2-1, but the Great Britain forwards Rich Little and Kevin Conway, only for Paul Ayer and Jeff Hodge to give Nottingham the edge again.

Bison's Mike Wagstaff took the game into overtime with a 54th-minute strike but Morgan's goal four minutes into sudden-death overtime means Panthers' game against Air Scotland Eagles on Saturday looks like deciding who finishes just below Sheffield and Cardiff.

## O'Sullivan's confidence disappears

Snooker

Ronnie O'Sullivan, already with two ranking titles to his name this season, does not think he can add a third in Aberdeen on Saturday night despite defeating Mark Fenton 5-1 yesterday at the International Open.

O'Sullivan described his victory as "diabolical", despite finding form again after his recent defeat in the Masters final by Steve Davis.

"Every time I got into the

## RACING'S FUTURES MARKET

The bookmakers' ante-post lists are racing's futures market. Readers can catch up with the latest developments — best prices are in bold — with The Independent's Tuesday service.

**Champion Hurdle:** Large Action is a top-priced 11-2 with William Hill — the tote go 4-1. **Queen Mother Champion Chase:** Strong Promise is 11-2 (William Hill) the tote go 9-2, while Sound Man is 8-1 (William Hill) — the tote go 11-2. **Triumph Hurdle:** Commanche Court is 12-1 (Ladbrokes) — Coral and William Hill go 8-1. **Cheltenham Gold Cup Chase:** The Grey Monk is 16-1 (William Hill) — the tote go 11-1. Ian Davies

## MARKET RASEN

**2.00 WHIP HAND (nap)**  
2.30 Catty Hang  
3.00 Meritena

**GOING:** (This course: Good (good to soft patches); Hurdles course: Good (good to firm patches)).  
■ Right-hand, sharp, undulating climb. Run-in of one furlong.  
■ Course is steep to town on 1501. Market Rasen station (Lincoln - Grimsby line) 1m. ADMISSION: Club £1.00, Ladies £0.50, Children £0.20. Refreshments £1.00. Club £1.00, Ladies £0.50, Children £0.20. Refreshments £1.00. Club £1.00, Ladies £0.50, Children £0.20. Refreshments £1.00.

**RICHARD EDMONDSON**  
NAP: Guido  
(Market Rasen 5.00)  
NB: Galen  
(Market Rasen 4.00)

**2.30: 1. ELZORA (C) Maudie event; 2. Heavyside Boy (C) 1-1. Released Lad 20-1. 3. 10-11. 4. 10-11. 5. 10-11. 6. 10-11. 7. 10-11. 8. 10-11. 9. 10-11. 10. 10-11. 11. 10-11. 12. 10-11. 13. 10-11. 14. 10-11. 15. 10-11. 16. 10-11. 17. 10-11. 18. 10-11. 19. 10-11. 20. 10-11. 21. 10-11. 22. 10-11. 23. 10-11. 24. 10-11. 25. 10-11. 26. 10-11. 27. 10-11. 28. 10-11. 29. 10-11. 30. 10-11. 31. 10-11. 32. 10-11. 33. 10-11. 34. 10-11. 35. 10-11. 36. 10-11. 37. 10-11. 38. 10-11. 39. 10-11. 40. 10-11. 41. 10-11. 42. 10-11. 43. 10-11. 44. 10-11. 45. 10-11. 46. 10-11. 47. 10-11. 48. 10-11. 49. 10-11. 50. 10-11. 51. 10-11. 52. 10-11. 53. 10-11. 54. 10-11. 55. 10-11. 56. 10-11. 57. 10-11. 58. 10-11. 59. 10-11. 60. 10-11. 61. 10-11. 62. 10-11. 63. 10-11. 64. 10-11. 65. 10-11. 66. 10-11. 67. 10-11. 68. 10-11. 69. 10-11. 70. 10-11. 71. 10-11. 72. 10-11. 73. 10-11. 74. 10-11. 75. 10-11. 76. 10-11. 77. 10-11. 78. 10-11. 79. 10-11. 80. 10-11. 81. 10-11. 82. 10-11. 83. 10-11. 84. 10-11. 85. 10-11. 86. 10-11. 87. 10-11. 88. 10-11. 89. 10-11. 90. 10-11. 91. 10-11. 92. 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## sport

# If Jonathan Davies is not included in a Lions squad of 62, what chance does he have of making the final party of 35?

Fran Cotton, the manager of the Lions in South Africa, was a great England prop who (with Graham Price on the other side of the front row) would figure in any British Isles XV of the last 25 years.

That does not mean his judgement is unquestionable. He is, for instance, a strong, even a fanatical supporter of the divisional championship. Anyone who wants to prolong that miserable competition is suspect in my eyes.

Certainly cannot see the point of announcing a Lions super-squad of 62 at this stage of the season. The English players will, or ought to be, thinking principally of their encounter with France in 11 days' time and then of their visit to Cardiff. The Welsh will have their attention solely

on that match. The Scots and the Irish will be wondering which of them will be able to salvage something from the season when they meet at Murrayfield.

Admittedly, we knew the announcement was going to be made, though it was believed that the squad would number around 60. It is interesting that the final party is to be of 35 players instead of the conventional 30. Someone must have a lot of money to spend on air fares and hotel rooms.

The people who tend to get injured on these tours are the half-backs, scrum-halves, particularly. There is obviously a case for taking three outside-halves and three scrum-halves, so increasing the strength of the party to 32. There is

an even stronger case, in my opinion, for accommodating the extra half-backs by taking only seven three-quarters - wings are invariably underemployed - and five back-row forwards, so retaining the traditional 30. The extra five players will inevitably lead to enforced idleness and justifiable resentment.

But it was not only Cotton that was involved. So also was his assistant, Ian McGeechan, now of Northampton. McGeechan was a good Lions centre who has turned himself into an outstanding coach. He is also, by all accounts (for I have never had the pleasure of meeting him), a most engaging character.

Certainly he has - how can one put this tactfully? - not been un-



ALAN WATKINS

generous to his charges at Franklins Gardens. Nick Beal, Jonathan Bell, Gregor Townsend, Paul Grayson and Tim Rodber are all in the squad. Matt Dawson and Martin Bayfield, both currently out of favour with the

English selectors, are likewise recalled to service. Matt Stewart and Allen Clarke must feel disappointed at being left out of things.

And what of the players who have been left out with rather less justification expected to do with themselves over the next six weeks? Cotton was quoted as saying: "The selection process will continue for another four to six weeks and there is still plenty of time for other players to force their way into the reckoning."

But how does Cotton think Jonathan Davies feels? I am old enough to believe that sentiment should still have a place in rugby union football. To play for the Lions was Davies's one remaining ambition. If he is not included in a

squad of 62, what chance does he have of making the final party of 35? And yet, to include him not only in a Lions party but in the Test side - whether as full-back or as outside-half - would not be an exercise in sentiment merely. It would greatly alarm the South Africans as well.

If you think this an example of pro-Welsh bias, of which I am occasionally accused by my readers, I should add that I consider Gareth Thomas distinctly lucky to be chosen as a wing. Despite his excellent try in the corner against France, he is not quite fast enough. The same might be said of Simon Geoghegan, but it is still good to see him back. I thought he had disappeared into that black hole at Bath which has al-

ready claimed Brian Ashton and John Hall.

About Phil de Glanville's omission, I am afraid I cannot become worked up. Will Greenwood, Scott Gibbs, Jonathan Bell and the unavailable Will Carling are all his superior at inside centre. On form, the best centre pairing is now Greenwood and Allan Bateman, whose merits I spotted before anyone else simply by watching him at Richmond. I am glad that Craig Quinell is joining his brother Scott and mystified that Tony Underwood and Jon Sleightholme, the best wing in Europe after Emile Ntamack, are omitted. But I still cannot see the purpose of the whole exercise, which I think will do more harm than good.

## Sullivan is half-way to paradise

Wimbledon's keeper has fought back since that goal. Phil Shaw talked to him

After years of virtual anonymity, quite a mythology is growing around Neil Sullivan. Which is surprising, since the facts surrounding the rise and rise of the Wimbledon goalkeeper are stranger than the fiction.

It was reported, for example, that the 26-year-old from Surrey separated Vinnie Jones and Mick Harford when Wimbledon's hard men tangled during the FA Cup replay against Manchester United. "I was actually fishing the ball from the net because we thought Peter Schmeichel had scored," he says. "In any case, you'd have to be a madman to come between those two."

Another story, following Sullivan's selection by Scotland on the strength of a Scottish grandparent, had him leaping up to scream "You beauty!" when David Seaman saved Gary McAllister's penalty at Wembley. "Not true either," Sullivan chuckles. "Seaman's my hero and I was admiring the great goalkeeping as much as anything."

Some good judges, among them Alex Ferguson, are saying much the same of Sullivan. In a season when Wimbledon's challenge to the moneyed elite has been like a gale of fresh air, he embodies their success better than most. An overnight sensation to the world outside south London, he has been tied to his local club since the age of 11, having previously supported them in the Southern League at Plough Lane.

Yet in the opening week of the season, Sullivan personified

Wimbledon for negative reasons. First, he was outrageously lobbed by United's David Beckham from 60 yards. David Barry then caught him doubling as keeper and sweeper to score at Newcastle. After Lee Sharpe powered another long-range shot past him at Leeds, he wondered if there was a vendetta against him and the Dons had neither a point nor a goal.

They promptly embarked on a pursuit of all three domestic prizes and go into tonight's Coca-Cola Cup semi-final first leg at Leicester with only three more defeats in 31 games. Sullivan, however, attributes his elevated profile as much to the endless television replays of his first-day disaster as to his role in the revival.

"In a funny way the Beckham goal has been the making of me. I shot to fame because of it. Suddenly everyone knew my name! People were watching me to see what would happen next and I kept four or five clean sheets on the trot."

In bizarre, archetypally Wimbledon fashion, being embarrassed by Beckham also opened up the prospect of playing in the World Cup. Alongside a feature about the goal, *FourFourTwo* magazine ran an interview in which Sullivan referred lightly to his eligibility for the Scots. Within hours of reading it, this correspondent happened to see Scotland's manager, Craig Brown, who expressed surprise and interest.

Last week, sure enough, Sullivan was in Monte Carlo with his new compatriots as third-choice keeper against Estonia. Not



Odd job man: Neil Sullivan is closing on Wembley from two fronts in a remarkable season for the talented Wimbledon keeper Photograph: Empics

everyone was pleased. "Some of the Scottish media reckoned they didn't want an Englishman playing for them, but if you heard my granddad speak you couldn't doubt my ancestry. I should be judged on my ability and commitment, not my accent."

"One journalist said he'd rather Scotland played with no keeper than a cockney. Well, Andy Goram was born in England too, and if they don't like it they should campaign for the rule to be changed, not have a pop at me. Anyway, you'd have to listen very hard to hear Bow Bells from Malden."

On Goram's debut, the crowd sang: "You're not English any more!" In Monaco, kil-

ed fans offered Sullivan no hostility, only handshakes. They knew he was a Scottish keeper, one quipped, the moment that goal sailed over him from the half-way line.

Wimbledon are, of course, the kings of impractical joking; ties shredded, tyres let down. Some rival managers see the image as a smokescreen to obscure the quality of Joe Kinnear's squad. Not so, says Sullivan.

"It really is as mad as it sounds," he says, "though we never sit down and think 'What can we do today so that the press think we're the Crazy Gang?' The reason it has kept going through the years is that there's a hard core of lads

who've been at the club since they were kids."

While that also explains a certain continuity in playing style, Sullivan insists the days when Wimbledon's keeper was their playmaker are gone. "We still like to get the ball upfield fast, but it's a lot more subtle than smashing it down the middle and hoping for a knock-down. If you'd seen my kicking, you wouldn't say that. It needs a bit of work."

Remarkably for one still some way short of 100 first-team games, after understudying Dave Beasant and Hans Segers, he shares with Dean Blackwell the longest unbroken service. Having watched the FA Cup tri-

umph of 1988 as an apprentice, he was on the bench for the Charity Shield but has never played at Wembley.

Now he could be appearing there twice in two months. A stunning save from Gary Pallister helped break United's grip on the FA Cup, after which Sullivan had an unexpected visitor in the dressing-room. "I looked up to see Alex Ferguson coming towards me and wondered what was going on. He shook my hand and wished me well with Scotland, which was very gratifying after United's previous visit to Selhurst."

And Wimbledon are favourites to win the Coca-Cola Cup, an unaccustomed status which Sullivan is sure will not go to their heads. "Leicester beat us in a tight game there a month ago. To be honest, the goal came when I came flapping for a corner and got bundled out of it. They showed the Wimbledon spirit the way they came back against Chelsea on Sunday, so they're going to be very confident."

But if the future holds any unwelcome surprises for Sullivan, Wimbledon's crazies are just as likely to be responsible. He awaits with trepidation their reaction to his tartanisation, a nickname being the least he expects to get away with. "It'll probably be 'Jock,'" he muses. "If I'm very lucky."

Morton will travel north again without their long-term injured pair, Brian Reid and Dougie Johnstone. Their manager, Allan McGraw, has added Alan Blair and the 19-year-old Bryan Slavin to his squad, but is unlikely to change the line-up which came within five minutes of reaching the quarter-finals before Ian Anderson's equaliser for Dundee on Saturday.

## Ginola pursues transfer to Inter

David Ginola is reported in France to have asked his agent to negotiate a transfer from Newcastle to Internazionale.

Ginola, who joined Newcastle from Paris Saint-Germain 18 months ago, said last week he intended to finish the season in the North-east, but he is no longer certain of a first-team place under Kenny Dalglish.

France Football has published a letter from Ginola dated 10 January authorising his agent, Serge Scalet, to contact Inter with a view to organising "my transfer from Newcastle to Inter Milan."

Sheffield Wednesday's manager, David Pleat, is planning a £2.5m bid for Bolton's midfield playmaker, Alan Thompson. At the weekend, Pleat sent the Wednesday coach, Martin Hodge, to make a final assessment of the player.

Terry Venables has arranged a get-together in London later this month for foreign-based Australian players. The three-day training camp, to be held from 24 to 26 February, is designed to prepare the Australian squad for internationals against Macedonia on 12 March and Hungary on 2 April.

Leicester have signed the Norwich midfielder Robert Ulfarsson in a £600,000 deal.

Everton's Joe Parkinson has undergone a second knee operation that will rule him out for most of the season.

Brighton fans have called off a planned boycott of Saturday's home game against Swansea City. Instead, supporters' groups are appealing for maximum support to be given to the team in their battle for League survival.

Alan Irvine is to resign as youth coach at Blackburn and may rejoin his former manager, Kenny Dalglish, at Newcastle.

The Football League yesterday denied that agreement has been reached over the formation of nursery clubs following the announcement last week of an arrangement between Liverpool and Crewe. The Football League chairman, David Sheepshanks, has played down suggestions that the move could lead to more Premier League clubs adopting lower-division "feeder" clubs.

Nursery clubs were among the items discussed at a meeting of the Premier League and Football League last Friday. But a statement from the Football League yesterday stressed that the idea was just one of a number of important issues being considered by consultants preparing a report on the League's future.

## Brown meeting may decide Ferguson's Scotland future

Ian Ferguson comes face to face with the Scotland manager, Craig Brown, today in a meeting which could make or break his international future.

Ferguson is in the firing line after a foul-mouthed outburst following the goalless draw with Estonia in Monaco last Tuesday. It is alleged that Ferguson's attack was aimed at the travelling Tartan Army although the 29-year-old's agent claims it was

directed at Estonian players.

Now Brown is to meet with Ferguson, probably in the company of his club manager, Walter Smith, to discuss the matter. Brown has watched video evidence of the incident which came as Ferguson trooped off the Stade Louis II pitch with his team-mate Colin Calderwood.

Until he meets with Ferguson he will not say what, if any, action will be taken over the mat-

ter. It is understood that if Brown believes Ferguson's swearing was directed at fans who paid a small fortune to follow Scotland to Monaco, then he may urge him to make a public apology.

Ferguson, 29, won his ninth international cap as a substitute for Celtic's Paul McGarry in the 0-0 draw which damaged Scotland's World Cup qualifying effort. Brown's players were booed off by some 2,000 fans as they left the pitch last Tuesday night.

Dundee entertain Morton tonight determined to earn a money-spinning place in the Tennents Scottish Cup semi-finals. The First Division pair meet in a fourth-round replay after drawing 2-2 at Cappielow on Saturday with a home quarter-final against the Premier Division side Kilmarnock on offer for the winners.

John McCormick, the Dundee manager, is hoping that home advantage will prove the decisive factor. McCormick has not lost a fixture at Dens Park since he took over from Jim Duffy, who left to join Hibernian at the end of December.

"We are looking forward to it and I was delighted with the spirit shown by the players at Cappielow," McCormick said. "People seem to think I have been going a little over the top about a 2-2 draw but we were behind twice and the players deserved credit for recovering from those setbacks."

McCormick has the former Celtic defender Barry Smith available again after a suspension. Tommy McQueen, Hugh Robertson and George Shaw have taken knocks but they are expected to recover in time.

Some large pairs of footwear to be filled there - you can also add Quinnell, Tigamala and, if the Australian Rugby League has its way, Robinson and Connolly to the list.

In return, there has been the occasional exciting acquisition, such as Henry Paul, but the list is a lot shorter. West well knows that this imbalance has been forced by Wigan's financial predicament, but if he had to manage on limited resources, he would have liked to be able to marshal them himself.

This winter's recruitment has been a case in point. Of the four players Wigan have signed, two are New Zealanders, who will need a good deal of work before they are ready for regular first-team rugby and were not even in the 17 for the cup defeat by St Helens 10 days ago.

Another, Ian Sherratt, was signed without any apparent input from West, who was away with the squad in Devon at the time. He was on the bench at Saints and was left there even when the Wigan forwards

dominance. Defeat in the Challenge Cup by Salford sent out waves of recrimination that are still muddying the waters at Central Park, and when St Helens deprived them of the first Super League championship as well, the first murmurs about West's position began to be heard. Players who had once seemed willing to play their hearts out for him, no longer appeared as motivated in the vital matches.

For his part, West was becoming increasingly depressed by the draining of Wigan's once awesome resources. This was all relative, of course: most clubs would have killed their bank managers for a squad as strong as the one at his disposal. But you can name a team of international players who have gone since West took over. It would read: Atcheson, Lydon, Bell, Mather, Offiah, Panapa, Botica, Skerrett, Dermott, Platt, Betts, McGinly,

Clark. Some large pairs of footwear to be filled there - you can also add Quinnell, Tigamala and, if the Australian Rugby League has its way, Robinson and Connolly to the list.

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## Rusedski's wrist forces retirement

Tennis

Greg Rusedski suffered a bitter disappointment when he was forced to retire with a wrist injury from the final of the Sybase Open in San Jose, California, against Pete Sampras.

The British No 2 broke down in tears during the presentation ceremony after he had taken the first set against the world No 1.

Sampras dropped the first set 6-3, but came back with two service breaks - the first breaks against Rusedski's serve in 93 games - and led 5-0 in the second when Rusedski shook his head, approached the net and held out his hand to Sampras.

"I was sorry what happened to him. He was very close to winning this event," Sampras said. "It was a desperately unlucky end to a week in which Rusedski beat Michael Chang in the quarter-finals and Andre Agassi in the semis, despite his sore wrist."

Rusedski, who has strained ligaments, saw a specialist yesterday and is expected to pull out of the St Jude International in Memphis later this week.

"I guess we'll never know what would have happened until we meet next time," Rusedski said afterwards. He also criticised the ATP Tour for causing his wrist problem by not standardising ball weights.

"I think the problem is caused because of the change of balls all the time, every week we are playing with a different brand," he said. "We have hard balls and then we have soft balls, there's no consistency. They have got to do something about this because it's causing players arm and wrist problems. They've got to make some sense out of this and standardise one single ball."

However, Sampras disagreed, blaming Rusedski's injury on his phenomenal serve. "I think the tournaments do a good job with the balls," Sampras said. "I haven't had any arm problems in



Upset: Rusedski after injury forced him to concede title

two years. I think Greg's problem is that serving at 139mph can't be good for your arm. He serves so hard with so much wrist it's not surprising he had a problem."

The week's successes sent Rusedski only three places up the Tour rankings, from 39 to 36, but he has moved up 20 places in just three weeks after reaching two successive finals, adding the California event to the Croatian Open final, when he was beaten by Goran Ivanisevic.

The British No 1, Tim Henman, dropped two places, from 17 to 19, after his first-round defeat in the Dubai Open last week.

## West casts a long shadow

Their coach's exit seals an alarming decline at Wigan, says Dave Hadfield

The acrimonious departure of Graeme West from Central Park yesterday breaks a link to the days a decade and a half ago when Wigan were ambitious upstarts rather than a rugby league club in decline.

"As soon as we saw Graeme, both the player and the man, we knew that this was the sort of figure we could build a team around," the former Wigan chairman, Maurice Lindsay, has said of his arrival in 1982.

Much of Wigan's success since then has revolved around the towering West, who as player, captain, back-room man and, for the past three seasons, head coach, has been one constant in a revolving cast, but whose unwillingness to be pushed upstairs into a management role has seen him, in effect, sacked.

The job as coach was the one he had almost given up hope of getting, having been passed over in favour of, first, John Moores and later John Dorahy. But when Dorahy was sacked amid recriminations that make West's leave-taking look like a friend-

ly handshake in the directors' car park, he was the man entrusted with restoring stability.

He was the players' choice - or at least an influential core, who had bridled under Dorahy - and the early indications were that they were more than willing to run through the proverbial back wall for him. They won the Premiership in style, but the way they beat the Brisbane Broncos to win the World Club Challenge was perhaps his finest moment. The squad was relaxed and unified. After the upheavals of the Dorahy regime, it seemed that West's low-key approach was what had been required all along.

There was little reason to revise that view the following season, when Wigan won everything in sight; not the next winter, when they carried off the Centenary Championship.

By then, however, the loss of too many outstanding players was starting to eat into Wigan's

dominance. Defeat in the Challenge Cup by Salford sent out waves of recrimination that are still muddying the waters at Central Park, and when St Helens deprived them of the first Super League championship as well, the first murmurs about West's position began to be heard. Players who had once seemed willing to play their hearts out for him, no longer appeared as motivated in the vital matches.

For his part, West was becoming increasingly depressed by the draining of Wigan's once awesome resources. This was all relative, of course: most clubs would have killed their bank managers for a squad as strong as the one at his disposal. But you can name a team of international players who have gone since West took over. It would read: Atcheson, Lydon, Bell, Mather, Offiah, Panapa, Botica, Skerrett, Dermott, Platt, Betts, McGinly,

Clark. Some large pairs of footwear to be filled there - you can also add Quinnell, Tigamala and, if the Australian Rugby League has its way, Robinson and Connolly to the list.

In return, there has been the occasional exciting acquisition, such as Henry Paul, but the list is a lot shorter. West well knows that this imbalance has been forced by Wigan's financial predicament, but if he had to manage on limited resources, he would have liked to be able to marshal them himself.

This winter's recruitment has been a case in point. Of the four players Wigan have signed, two are New Zealanders, who will need a good deal of work before they are ready for regular first-team rugby and were not even in the 17 for the cup defeat by St Helens 10 days ago.

Another, Ian Sherratt, was signed without any apparent input from West, who was away with the squad in Devon at the time. He was on the bench at Saints and was left there even when the Wigan forwards

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West: Refused manager's job

were taking a pounding. The contrast with Shaun McRae, whose use of his substitutes has been one of the hallmarks of Saints' success over the past 12 months, was stark.

So was the comparison between how much their players seemed prepared to suffer for them, with the result that McRae has a job, while West, for the moment, does not.

He remains well liked and respected in the game, and will doubtless re-emerge, but the absence of his long shadow from Central Park is a reminder that times there really have changed beyond recognition.



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## Odd lob man

Neil Sullivan, the Wimbledon goalkeeper, talks to Phil Shaw, page 22

## sport

## Saddle sore

Chris Boardman talks to Robin Nicholl about his sacrifices for cycling, page 23

THIRD TEST: England captain produces stalwart innings in the face of paceless attack by Vettori and Astle

# Atherton turns up the heat on Kiwis

DEREK PRINGLE

reports from Christchurch  
New Zealand 346 & 186  
England 228

There are few people who have the mental and physical stamina to endure more than four whole days on a cricket field. One who has is the England captain, Michael Atherton. Having taken the contentious decision to put New Zealand in to bat, he has dared not spend his time anywhere else.

In Test matches, Atherton is a highly motivated man. Nothing, however, gets his blood flowing more than the goading words of an opponent, and comments from Steve Rixon, the New Zealand coach, on Sunday evening that England "haven't coped well with pressure in the past and I can't see why it would start now" would have steered him beyond compare.

His mood and body language in Christchurch, as well as the way he has chosen his shots, have already been likened to his manner in Johannesburg, where he played one of the great innings to save the second Test against South Africa.

"He has this incredible inner strength," said Bob Bennett, the Lancashire chairman and someone who has seen Atherton develop from an outstanding Manchester schoolboy into a hardened Test opener and captain.

Bennett, who also chairs the new England management committee, is one of Atherton's greatest supporters. As a friend and confidant, he praised the way Atherton refused to let his aghast run of form in Zimbabwe get him down.

"I spoke with him often when things were going poorly. Underneath I'm sure he was concerned but he hadn't become depressed about it. He kept assuring me that he was fine, and that things would come right."

Curiously, the upturn in Atherton's batting form appeared to come after an extensive work-out against a bowling machine in Hamilton. Unlike the humans it imitates, the machine has a reliable repetitive-

ness that apparently allowed him to groove the faulty footwork which was at the heart of his problems.

Such devotion is rare, even in a troubled man, and it has probably made his team-mates even more devoted to him than they were previously. Atherton may be a reticent, unshaven and unsmiling salesman of the game, but on the factory floor, when the furnace door blows open, there is no one who takes the heat better.

It would be a considerable hock if he did not lead England's fight to regain the Ashes this summer. But if he is captain, it promises to be a tough summer, and in addition to the pressures on the pitch, there will be the added strain of running his benefit year, a near full-time job if it is to be successful.

Bennett, though, does not think the burden will weigh heavily, saying, "He is not a mercenary. According to his father, quality of life to Michael is the book he is currently reading. That's very refreshing in a materialistic world."

On the field, he is often prone to being over-defensive, and although he carried his bat in the first innings, and was just as admirably obstinate as the second got under way - taking just under three hours to score his second half-century of the match - again he allowed the New Zealand tail to add crucial runs.

When the New Zealand team was announced, John Embury had felt the line-up contained four No 11 batsmen. If it did, then England's bowlers must have been off the boil, for those last four wickets contributed 160 precious runs over two innings, a sizeable chunk of the 305 that England were finally set.

Not for the first time was the England captain guilty of sitting back and waiting for his opponents to self-destruct. At 80 for 5 New Zealand were floundering, and with only Chris Cairns and an injured Mat Horne of the recognised batsman to cause the damage, Atherton should have been more aggressive in trying to remove them.



Mike Atherton plays the ball through mid-off for another four runs during the fourth day's play at Christchurch

Photograph: Allsport

Horne, brave as he was with his broken top hand, did not last long, and it was left to Cairns, who scored his second half-century of the match, to marshal the tail. It was a fine innings, although he was twice missed, once by Alec Stewart on 31 and again by Dominic Cork just after he had reached his 50. Despite the miss, Stewart still finished the series with 16 dismissals, a record for a three-match series against New Zealand.

Up until this game Stewart's combined keeping and batting had been a revelation. He had even managed to score at least 50 in each of his nine Test matches, although that run came to an end here when Daniel Vettori had him caught by short leg for 17 - an innings that had taken

an incredible 117 balls and contained just nine scoring shots. It was one of the most curious Stewart innings ever played, and the Surrey captain probably sacrificed his natural free-flowing style in order to keep his wicket intact until the close, when England could reassess their position.

In the end it did not work, and New Zealand have to be given credit for shrewdly keeping pace off the ball by bowling Vettori and Nathan Astle in tandem.

For an 18-year-old Vettori looks remarkably unfazed by Test cricket, and in his two matches so far he has batted sensibly and bowled immaculately. By the looks of things, he has probably had little go wrong for him in any form of cricket, and he never looked out of his

depth as he patiently probed the rough from over the wicket. Vettori's forays into the bowler's footholes constituted about the only danger from New Zealand. But what a danger. Once Nick Knight had given up his wicket by trying to hit the spinner over mid-on, both Stewart and Atherton endured some tricky moments.

One delivery in particular, that Vettori got to kick sharply, caught Stewart clean between the eyes, cutting the batsman's forehead. Having survived that, Stewart later fell victim to only the second ball he had received from around the wicket, the change of angle cramping him as he tried to clip the ball to leg. It was a soft way to go, but every once in a while even the prolific have to stumble.

## Lancaster Park scoreboard

England first innings	346	10-108 (Wicket)
New Zealand first innings	186	10-108 (Wicket)
England second innings	228	10-108 (Wicket)
New Zealand second innings	186	10-108 (Wicket)
England third innings	228	10-108 (Wicket)
New Zealand third innings	186	10-108 (Wicket)
England fourth innings	228	10-108 (Wicket)
New Zealand fourth innings	186	10-108 (Wicket)
England fifth innings	228	10-108 (Wicket)
New Zealand fifth innings	186	10-108 (Wicket)
England sixth innings	228	10-108 (Wicket)
New Zealand sixth innings	186	10-108 (Wicket)
England seventh innings	228	10-108 (Wicket)
New Zealand seventh innings	186	10-108 (Wicket)
England eighth innings	228	10-108 (Wicket)
New Zealand eighth innings	186	10-108 (Wicket)
England ninth innings	228	10-108 (Wicket)
New Zealand ninth innings	186	10-108 (Wicket)
England tenth innings	228	10-108 (Wicket)
New Zealand tenth innings	186	10-108 (Wicket)

## Smith pressed on drug testing

### Swimming

Michelle Smith, who won three gold medals and a bronze for Ireland at the Atlanta Olympics, is one "no-show" away from a possible four-year ban for failing to make herself available for drug testing.

Smith, whose Olympic performances provoked allegations of drug use, was absent when a team of drug testers turned up at her home in Ireland four months ago, the sport's world governing body confirmed yesterday.

While stressing that Smith was not yet in violation of its rules, the international federation, Fina, warned that a second "no-show" could result in sanctions. "The rules state that two no-shows is considered a violation and you may be sanctioned," said Fina's director, Cornel Marculescu. "We are not yet at this stage. To date, Michelle Smith does not violate Fina rules."

A swimmer who misses two drug tests "could be considered to have refused to submit to doping control," Marculescu added. In the case of a second no-show, Fina's independent doping panel would look into the case and decide whether to apply any punishment.

The penalty for refusing a drug test is a four-year ban, the same sanction as for testing positive for steroids. The "no-show" rule was adopted at Fina's congress during the Atlanta Games.

Marculescu's comments follow reports that Fina have expressed concern to the Irish Amateur Swimming Association that Smith, who has repeatedly denied ever using performance-enhancing drugs, has proved difficult to contact for drug-testers.

Smith's agent, John Gibbons, said that the swimmer was in the United States to receive an award at the time of the drug testers' visit in October. He said that Smith did submit to the test once she got back a few days later.

Gibbons criticised the Fina rules demanding to know the exact whereabouts of swimmers on a given day. "Surely that's not realistic. Do you leave them a note every time you go down to the shops?"

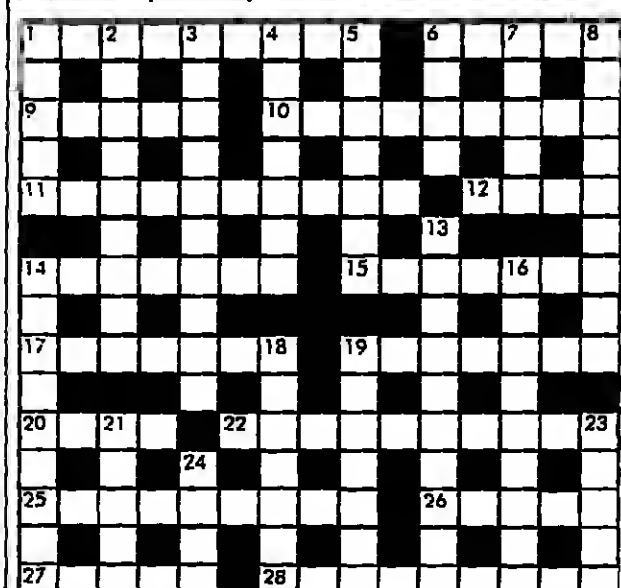
Smith's lawyer, Peter Lennon, said yesterday, "If anybody has any evidence to suggest Michelle Smith took drugs, we'd like them to print it," he said. "There's only one thing that has emerged from all this trial by innuendo - nobody has any evidence that Michelle Smith took any performance-enhancing drugs."

## THE INDEPENDENT CROSSWORD

No. 3225, Tuesday 18 February

By Aclred

Monday's Solution



- ACROSS**
- 1 Searching heat turns one! (9)
  - 6 Vehicle test applied to old Rover's not finished (5)
  - 9 Angry outbursts take a long time (5)
  - 10 Device going at speed of sound in English transport system (9)
  - 11 R. I. or P. (4,6)
  - 12 What bride says to Latin here? (4)
  - 14 Designer of nuclear device about to be given precedence (17)
  - 15 Rigid framework upsets clients (7)
  - 17 Among mountains Horeh is far from sea (7)
  - 19 Lift the French tax, disheartening Europe (7)
  - 20 Green seen initially in optical ray (4)
  - 22 You'd need this to get into Haas's suite? (10)
  - 25 Eats baker produced for consumption in these? (3,6)
  - 26 Leather strap however's no good (5)
  - 27 Organised Switzerland's cat-de farm (5)
  - 28 To finish off Mandela's group in river takes staying power (9)
- DOWN**
- 1 Hurries up a fine fiddle (5)
  - 2 Red-light districts? (2-5)
  - 3 Forgiveness found thus in cleansing (10)
  - 4 Small rodent acts badly on territory (7)
  - 5 Old illness means game's not starting (7)
  - 6 Frantic to embrace one young girl (4)
  - 7 Runner in the Borders finds this material (3)
  - 8 Shade of unhappy monarch? (5,4)
  - 13 Provider of money's been upset by hand agent (11)
  - 14 Six-footer's hesitation getting a bowler? (9)
  - 16 Blitz on cheap drug? (5-4)
  - 18 Reproduce action of bird that's dead (7)
  - 19 Got exemption for old copiers meeting editor (7)
  - 21 King's name to commit to memory (5)
  - 23 Go up into French street to find a scoundrel (5)
  - 24 Some familiar characteristics of supporting structure (4)

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## Wigan appoint Hughes to replace coach West

Rugby League  
DAVE HADFIELD

Wigan have appointed Eric Hughes as their new coach, in place of the discarded Graeme West.

Hughes, who had been working under West as Academy coach, had a distinguished playing career with Widnes and Great Britain. He later coached Widnes and Rochdale Hornets before taking over at St Helens in 1994.

Although he was sacked and replaced by Shaun McKee two years later, Hughes has been given much of the credit for assembling the side that succeeded Wigan as both cup and league winners last season.

Hughes is a specialist at developing young players, with many of those he set on the way at Saints progressing to full international status.

"There is even more talent at Wigan and I'm sure the club will be back among the honours before too long," he said.

"It's a tremendous honour to be asked to coach the most successful side in the history of rugby league. Obviously, we were bitterly disappointed at going out of the Challenge Cup so early in the season, but we have got so much to look forward to with Super League and the World Club Championship. We have got a world-class side at Wigan and I am convinced that we will do well this season. I wouldn't have taken the job otherwise."

Hughes's first opportunity to put his stamp on Wigan will be in two friendlies against Castleford next month, followed by the opening Super League fixture at home to Halifax on 16 March.

The club's chairman, Jack Robinson, has paid tribute to West's 14 years at Wigan.

"Graeme has been a great servant of the club for a long time," he said. "He has played a huge part in our incredible run of success and we wanted him to stay as football manager, with Eric working alongside him and bringing with him a fresh approach."

"Unfortunately he turned the job down and has now decided to leave the club. To lose anybody who has put so much hard work into the club is a blow, but we now have to look ahead to a bright new future with Eric as coach."

West still sees the situation in subtly different terms. "I can't see it any way other than that I've been sacked," he said after taking his leave of Central Park.

The first new player Hughes will have at his disposal will be the Tongan centre Paul Koloi, who has been playing in New Zealand.

West casts a shadow, page 22

## FA look into Leicester fracas

### Football

The Football Association will study reports from police and the referee, Mike Reed, before deciding what action to take after eight fans were charged yesterday during Leicester's FA Cup tie against Chelsea on Sunday.

Fighting broke out in a corner of the ground after Chelsea's opening goal in the 16th minute and 50 stewards and police took 10 minutes to restore order.

A steward received first aid treatment after being hit by a missile, which was believed to have

been sparked by the presence of Chelsea fans in the Leicester end.

Ten people were arrested; seven have been charged with public order offences, one with ticket touting, while another was cautioned and the 10th released without charge.

The Leicester chairman, Tom Smeeton, yesterday said the club would be looking into swipe-card technology which would make it more difficult for away fans to get tickets for the home stands.

Another referee, Martin Bodenham, confirmed yesterday that he would be notifying the FA of coins and objects thrown

by supporters at an assistant referee during Birmingham City's FA Cup tie against Wrexham at St Andrew's on Saturday.

Derbyshire police claim advance intelligence prevented trouble at Saturday's FA Cup tie between Chesterfield and Nottingham Forest. Fifty-eight people were arrested before, during and shortly after the game.

A police spokesman said the arrests had pre-empted trouble expected at the game. "We had identified the people likely to cause trouble by putting intelligence received into effect. We had a very successful day," he said.

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